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WHY I AM A SOCIALIST

By

CHARLES EDWARD RUSSELL

Author of "The Uprising of the Many," "Lawless Wealth," "Songs of Democracy," etc., etc.

HODDER & STOUGHTON

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CHAPTER I

THE STORY OF TWO CENTS AND A BUCKET OF COAL

LIFE in the great East Side district of New York City revolves within exceedingly narrow limits, and conditions that in better favored regions would be trivial become here of grave moment. This, no doubt, is true generally of all poverty-stricken and over-crowded areas, where the struggle for existence being primitive, always bitter, and usually perilous, excludes all lesser topics. The comparatively small world of the well-fed and the well-to-do sweeps on ignorant of this, as of all other actual (not fictional) characteristics of the habitat of the poor, until some event not to be ignored strikes sharply for the moment on the superior consciousness. Such a thing happening in the winter of 1891-2 suddenly revealed the nakedness of East Side life through the discovery that the region was disturbed by so small a matter as two cents.

The winter had been severe. In no season can life in the tenement houses be said to be joyous, but in a bitter cold winter what is ordinarily but gloomy discomfort becomes acute suffering. Some unfortunates freeze to death in the streets; many in the houses have difficulty to keep alive. The old-style tenements, of which an amazing number still exist in New York, were ill-adapted for human habitation in cold, or I may say, in any other kind of weather; the doors and windows gaped, the walls were thin, the floors ill-laid, the rooms at all times damp; and

for the least degree of tolerable comfort, not to say for mere life itself, heavy coal fires were indispensable.

By the regulations of the Board of Health only anthracite coal could be burned in the city. For years the retail price had been $5 a ton. I suppose that few persons in the worst of the East Side tenement houses had ever bought at one time a ton of coal. For one reason, there was no place to put it; and for another the average tenement dweller never had at one time $5 to expend on coal. Universally, the poorest bought their coal at the corner grocery, a pailful at a time. There the price was ten cents for a pailful.

When this was translated into ton weights it meant that they were buying coal at the rate of $15 a ton.

Of a sudden, in the coldest week of the winter, it was announced that the wholesale price of coal had been increased fifty cents a ton and the corner grocery had advanced the price of coal by the bucket from ten to twelve cents.

This was the two cents over which the East Side was concerned. On its face and to the comfortable the statement seems extravagant, but the two cents advance in the coal price made a great difference to the East Side. Industrial conditions that winter had been as severe as the weather. Many men were out of work, the destitution that always lowers over that unhappy region was more than usually black, and families that had balanced the relative pains of freezing and of starving before they spent ten cents for a bucket of coal heard with dismay of the increased cost of warmth.

As a rule the East Side accepts in dogged patience its allotted troubles, but some unwonted demonstrations took place over this situation, and as (in the view of uneasy

souls that dwelt in daily prophecy of proletarian uprising) these stirrings were assumed to be menacing, the attention of the rest of the city was drawn thereto. The two cents became an item of news. I was then a reporter on the the *New York Herald,* and the *Herald* assigned me to investigate the cause of the increase and its results upon the poor.

The causes were well enough known to anyone that had kept track of current events, a practice that, as a matter of fact, has astonishingly few followers. All of the anthracite coal mines were in a region lying between 100 and 170 miles from New York City. Three railroads, the Philadelphia & Reading, the Central of New Jersey, and the Lehigh Valley were chiefly engaged in transporting the coal to market and were also the owners of many mines. Looking somewhat ahead of his times towards the industrial concentration and consolidation to be, Mr. Alexander McLeod, a daring speculator of Philadelphia, had managed to unite the three railroads. This secured to the combination the practical control of the anthracite coal output (since these roads either mined or carried almost all the coal produced), and the first act of the new association was to advance the wholesale price of coal fifty cents a ton. This, when it had reached the tenement house dwellers, meant an increase of two cents a bucket.

I climbed the rickety and ill-smelling stairway of many a rear tenement to see what this increase signified for the people on whom it was levied. Some rather painful things had happened over there. A family in Henry Street had taken the lids from the kitchen stove to increase the output of heat and retard the consumption of coal, and, sleeping on the floor together, had been asphyxiated by the escaping fumes. In another quarter, inhabited by foreigners,

people had broken the windows of a grocer who refused to sell at the old price. Wherever an old building was being wrecked there was a horde of little children picking up the precious fragments of wood, sometimes at the risk of their lives. The charitable societies working hard to cope with the situation yet were overwhelmed by it, for indeed the need was too great; no ordinary society could have provided for so many persons that had neither work nor fuel. An old woman in a rear tenement attic, who with her needle had managed for years to win some scanty subsistence, was found dead in her bed from starvation and cold. I went up to see the place, and the snow from the skylight lay in a little drift across the bed, so it was no wonder she died; she had over her nothing but a rag. The other people in the house told me they would have helped her if they had known—in itself a bitter commentary; for the house was but a wretched shell, the inhabitants all but destitute and how they could have afforded help I could not pretend to say.

It struck me as rather odd and incongruous that among well-fed and comfortable persons there was a disposition to base upon the situation much philosophical reflection to the effect that the poor brought their troubles upon themselves. For instance, they were so improvident, it was urged; they bought their coal by the pailful, which was the most expensive way. If they would practice thrift, save a little money, and buy a ton of coal at a time, of course they would get it at the ton rate. I suppose that it was because I had been so much among the tenements that these comments, offered in obvious good faith, seemed to me to possess a kind of grim and almost horrible humor. I had mind upon the dwelling places I had seen, and upon the people in them, and the idea of their saving

money from their hand-to-mouth existence, or the idea of dumping a ton of coal in the midst of their cramped, crowded quarters, moved me to sardonic mirth. I was, to be sure, largely of the opinion apparently held by all other comfortable persons, that all was well in the world, and if here and there an imperfection showed, why, a little tinkering—no more. I was also in the main prepared to accept the notion that if people got hurt by the profit hunt the fact was, of course, melancholy, but the hunt was right and good and not to be criticised. Yet I confessed at times that none of these theories seemed quite to cover the cases of the poor on the East Side.

From this tour of investigation I was sent to the region of the mines to note what upon the miners had been the effect of the new order of things and of the process of industrial consolidation and unification. Here, to my astonishment, I found even greater and more general suffering than there had been in the tenement houses, though from a different cause. That they might keep down the supply of coal and thereby support its increased price the gentlemen in control of the new railroad combination had restricted mining operations to work on no more than two days a week. The result was that of all the coal miners in the region hardly one was able to earn support for himself and his family.

This, being probably a temporary restriction, might not have been particularly serious if there had been for years anything like a normal condition of employment in the mining region; but the fact was that the miners had worked under a system that made them unable to accumulate or to save, or to live otherwise than precariously; so that they were unprepared for the least reduction of their earning power. They were, in fact, the slaves of the mine

owners. I shall expect this term to be regarded by the uninitiated as extreme or extravagant; yet it is soberly used; for I can think of no other that applies adequately to the miners' condition, and I have read few descriptions of any state of acknowledged slavery that does not on the whole seem better than theirs.

These men were not merely enslaved, in a way I shall now proceed to explain, but they were systematically despoiled and robbed.

In practically all of the mines the methods were the same. When a man began to work he opened an account at the company store. You may assume with entire confidence that he opened this account because if he failed to do so he ceased to work in the mine. This store was owned (not openly but through a subterfuge) by the firm or company that operated the mine. By the laws of the State such dual ownership was strictly forbidden, but with the assistance of the convenient subterfuge was almost universal. Some years before there had been a violent revolt against conditions in the anthracite region, and at that time men that greatly profited by this subterfuge had uttered splendid sentiments in favor of law and order. I could not learn that their attention had ever been officially called to this inconsistency. The company store had for sale everything the miner needed in his household and also everything he needed in his work. These things were supplied to him in advance or on credit and their cost was subtracted at the end of the month from his recorded earnings.

Payment for mining was on the basis of the carload, so much for every mine car of coal brought to the surface and delivered at the breaker, which is a kind of coal elevator at the mouth of the mine. The miners hired their

own laborers, and furnished their own tools, gunpowder, oil, and accessories—all purchased at the company stores. The mine owners furnished only the mine, the breaker, and the cars that brought the coal to the surface.

This system opened the door to many abuses. Mixed with the coal in the original strata was a small quantity of slate. Necessarily, this was carried to the surface with the coal, and for the slate a purely arbitrary and unreasonable deduction was made, apparently in a spirit of cynical disregard of justice. On their way to the breaker the cars passed swiftly up an inclined plane, and on a bridge over this stood a functionary called the docking boss, who estimated and recorded the amount of slate in each car as it passed. The whole performance was admittedly a farce. As the cars went hurtling along, the docking boss could no more than glance at each of them and in no way could the surface of the load be any trustworthy indicator of the amount of slate it contained. Moreover, the man was in the employ of the mine owners; his judgment was necessarily *ex parte;* and from it there was no appeal. On his instantaneous guess the deductions were from fifteen to forty-five per cent. A car that contained no slate might be docked nearly one-half and probably no car ever contained as much slate as was charged against it.

As there was no mine inspection worth the name, the miners had likewise no redress against another grievance that arose from the arbitrary size of the car. This the mine owners regulated to suit themselves, and while each car was supposed to contain about the same amount of coal there were variations, and these all in favor of the mine owner. At some mines a rule had been made that,

to be recorded with full credit, a car must be heaped with coal until the coal would touch and ring a bell suspended over the tracks. No agreements regulated the height of this bell. The charge repeatedly made that a mine boss or superintendent, ambitious for large showings, would surreptitiously increase the height of the bell seemed improbable, and yet I met with it so often from many sources and so well supported that I was obliged to think it not without foundation. Nothing existed to prevent any such species of theft, and it would in fact be quite in accord with other practices toward the miner. For example, I found mines where the size of the car had undoubtedly been increased without any increase of payment to the miner, and it seemed quite true that in some instances when the coal on any car failed to ring the bell that carload had been confiscated to the mine and the miner had received little for it.

Why, then, did the miners remain at work when they were so unfairly treated? That was the first question that arose when I had established these facts. In the big, free, bustling country of which they were citizens were many other employments besides mining. Why did they not turn to something else? Or why did they stay a day in a region so forlorn and unhappy? There was the Great West, for instance, that traditionally needed men to develop it and offered so many golden chances. Why did they not move thither?

I turned this question to and fro for some time before I found the answer. Occasionally one of the younger or more fortunate men would indeed make his escape, but the others could not go or did not go because they were bound hand and foot to the company store—by debt.

They were in debt; they always had been in debt; they

always would be in debt; it was part of the system to keep them in debt.

One reason why they were in debt at some of the mines was because they were overcharged for everything they bought. For a $3 keg of powder they paid $4, for a can of oil worth sixty cents they paid $1, for a rubber coat worth $4 they paid $6, for a sack of flour worth $2.25 they paid $2.50.

They must buy at the company store or they could not work in the mines, and for everything they bought at the company store they were scandalously overcharged.

Most of them lived in houses (so to call them) owned by the company, and were behind in their rent. These houses were of wood, sometimes constructed by nailing upright boards against a flimsy frame, much as a western farmer might build his woodshed. They were often unpainted, usually ramshackle, and always repulsive to look at. At some mines they stood in long dreary rows, forming one of the forlornest spectacles I can remember. All the anthracite region had been made by the hand of man a place repulsive, but surely the sorriest spots in it were dwellings maintained by the mining companies; and for shelter in one of these wretched sheds the rent exacted seemed to be calculated on the idea of recovering in a year the entire cost of construction.

You would naturally assume offhand that persons living in these houses and submitting to so many extortions were of low intelligence and belonged to what we are pleased to call the riffraff of Europe. I was astonished to find that they were Americans of long American lineage, intelligent, and, strange as it may seem, intensely patriotic. Practically all of them had grown up in the mines. Their fathers had been miners; they themselves had begun life

as slate-pickers or mule-drivers in the drifts, and by years of practice had mastered a difficult and dangerous trade. I do not know, indeed, why anyone should think a miner can be an unintelligent person; to do the work performed by these men in the anthracite region requires a high degree of skill and much knowledge; they are not merely laborers but experts and engineers. Many miners had married the daughters of other miners; their children were already in the mines; and on father and child was the mark that one comes quickly to recognize as the stamp of the mines.

These children were in themselves an interesting study. The law of the State strictly forbade their employment in or about the mines; it was a law everywhere and openly violated. Everybody knew the substance of the law; everybody knew it was a dead letter. I have seen a father going into a mine with three children all under the legal age limit and all at work for wages. Parents did not deliberately choose to ruin thus the lives of their children; they have spoken to me of it with tears; but under the existing conditions the thing was inevitable. The children's wages were necessary for the support of the family, and the struggle for life was always grim and terrible. A father, men said, could not let his children starve. After a time I was driven to question whether in some instances, at least, starvation or some less painful form of death would not have been preferable to the slow, long drawn out murder of body, mind, and soul that was accomplished upon the child that labored in the mines. The records of their employment scored upon them were both obvious and shocking. I never saw one that was not pallid, gaunt, prematurely old, overwrought, underfed, and an easy prey to any bacterial disease, but particularly to tuber-

culosis. I found boys passing into man's estate that had never had any childhood they could recollect. They had never played nor had any recreation nor drawn from life any conception except that of eternally facing the one battle for daily food amid surroundings that seemed calculated to crush out every sweet and worthy thought. Against the system that produced these conditions it seemed to me that thousands of ruined lives daily protested.

Near one of the mines a mine owner had built his handsome residence in a vast and beautiful estate. He was reputed, on just grounds, I believe, to be the fairest and most charitable employer in the region; he had made a sincere but futile effort to withstand the methods that increasingly bound chains upon the worker, he had no sympathy with the new coalition; and at the time I visited his colliery he had determined to resist the combination or retire from the business. He was a type of the old style employer that had individual and kindly relations with his men, and yet there were features about even his situation that provoked grave questions.

On the road below his beautiful estate the miners trooped to and from the mines, and I cannot pretend that the contrast they suggested was reassuring to one that knew the kind of houses they left in the morning and would return to at night. This mine owner had a son twelve or thirteen years old for whom as a plaything he had built a miniature railroad that ran two or three miles about the hills. With real locomotives, cars, tracks, and switches the fortunate boy had great amusement running his trains from miniature station to station. The locomotive was so large that he could ride in the cab and the cars would accommodate several of his friends. At two places the track

crossed the highway and the boy would blow the whistle of his locomotive as he approached a crossing. It was great fun. Sometimes his train would come along as the mine boys were going to work or returning home and they would stand and watch the little cars fly past, the bell ringing, and the youthful engineer seated in his cab, happy and smiling. Then they would go on, swinging their dinner pails.

The miners' houses were always very poor and bare, inside as well as outside, and I think I found in the melancholy region nothing more pathetic than the efforts of the overburdened housewives to preserve in the midst of such surroundings the decency, cleanliness, and good taste characteristic of their race. The walls had little treasured ornaments and framed prints cut from the illustrated papers; there was often a vase with wild flowers from the hills, and to my amazement I found some of the sad-eyed housewives managed to grow a trifle of a garden by the door. But over everything was a terrible blight of poverty and insufficiency. The miners' families went badly clothed and plainly some of them did not have enough to eat. They seemed to be a grave, self-respecting, and orderly people; when the father and the boys returned from the day's work in the mines they plunged at once into the washtubs of water the wife and mother kept standing for them, and with soap and brushes scrubbed away all the grime of the mines. Then they dressed in clean, if patched, clothes and had supper. Afterwards there was nothing to do except to smoke and to go to bed. The rows of barracks on the bleak hillside afforded no vestige of human amusement. I was rather nonplussed to find that practically none of them drank intoxicating liquor to excess, and many drank it not at all, but it was explained to me that a

miner's work is such he cannot wisely use alcoholic stimulants. Nevertheless, I am quite sure that in the like conditions I should be drunken every night if in any way I could come by liquor.

This was the situation at the mines when (by some violence of speech) work was called "good." I mean when on all the days of the week the miners were allowed to mine coal, or to work in the mines preparing (without compensation) to mine coal, and when the deductions were not unusually large. They were very anxious to work all the time that they might earn money to live on, and whenever work was interrupted, as by explosions in the mines (which were frequent and usually fatal), by floodings, or by the caprice of the mine owners, they thought themselves unfortunate. At the end of each month each miner received a due-bill or ticket showing his account with his kind, indulgent employer. On this ticket was recorded first all the coal he had mined in the month—so many cars. Then there was noted the deductions for slate or for underweight, being the amounts reported by the docking boss as before described. Next were subtracted the wages of the laborers employed by the miner, for while these laborers received their wages at first hand from the company they were in reality paid by the miners. Then were deducted the supplies the miner had drawn in the month; and from all this was struck a balance of the amount due to him.

This amount the company store usually took to apply on the back account.

As a result the average miner seldom saw any actual money he could call his own, and on every side the company store was the horizon of his material life.

Very often when all the deductions had been made the remainder, even for the taking of the company store, was

pitifully small. I collected about two hundred due-bills, each representing the proceeds of a miner's work for one month in the times that were called good. They showed balances of from $15 to $45. The average was $36. One man that had toiled all the month had a balance due to him of $16 and another of $17.50. These men had spent most of the month in preparing their drifts to take out coal, a work for which they received nothing. This might be tolerable if their earnings when they began to deliver coal were sufficient to afford compensation for the unprofitable month, but they never were. The man that earned $16 for the month of hard and dangerous toil had four children, all girls, and therefore unproductive of wages; for even the barbarism of the anthracite region did not go so far as to compel little girls to mine coal. How this family lived I do not know, but certainly the fare in that household was far less than any child of earth should have.

Upon conditions like these there had now fallen the order that no more than two days' work should be done in any week, a policy deemed necessary to keep down the supply and to keep up the price. To the people that for years had lived thus perilously upon the edge of the abyss the order seemed an intolerable hardship. They had hands and the will to work, they needed the work that they might live, the work that they wanted to do stared them in the face, and a wholly arbitrary power, unconnected in any way with normal conditions, refused them the work they begged.

All these facts were clear to any observation; they were physical and palpable results of certain causes. But one phase of the matter not so easily discerned was long a puzzle to me. The price of coal in New York had been

$5 and was now $5.50 a ton. Evidently this was wholly disproportionate to the cost of producing the coal. Figures based upon the expense of mine operation, including everything except interest and taxes, showed that the cost of a ton of coal loaded upon a car at the mine sidetrack was about $1. Over night the car was hauled to New York where its contents became worth $5 a ton. This increase, in turn, bore no proportion to the actual cost of the service of transporting the coal and showed an abnormal profit, easy to understand, when one remembered that the railroad company that transported the coal usually owned it and was a great or preponderating influence in fixing the price of all coal. So far all was plain.

But what became of all these various and great profits? The company store must have paid very handsomely, the abuse of dockage must have yielded large returns, the price at which the coal was sold was an enormous advance upon the mining cost. Most of this money flowed into one channel; that is to say, into the hands of the owners * of the mines, who were in turn the owners of the railroads. But no one heard that any extraordinary dividends or profits were paid to these owners; according to the records and reports the dividend rates paid by all these railroads were not to be regarded as excessive, being little above the current market rates for money. What, then, became of all these profits?

This remained a mystery until I looked into the lists of securities that these railroads had issued; then the trail of the missing profits was clearly revealed. All of these railroads had in the current phrase " capitalized their earn-

* In the case of mines not in one way or another owned by the railroads the exorbitant freight rates absorbed the greater part of the profit.

ing power." That is to say, they had issued securities up to the limit of the money that could be obtained from the public on one hand and from the miners on the other; and the docking boss, the company store, the wretched houses, the overcharges, the pallid-faced children, and the violated laws merely represented so much watered stock and so many bonds. Finally, it was to meet the requirements of a fresh issue of securities that the combination of the railroads had been formed, the price of coal increased, the days of labor at the mines diminished, and here was the heart and real secret of the murmurs of the East Side and the added two cents in the price of the bucket of coal.

Let us suppose that the normal profit of mining coal had paid in the case of one of these railroads 7 per cent. on a capitalization of $50,000,000. Evidently by slightly oppressing the miner or slightly increasing the selling cost of coal this road could pay the same rate upon $60,000,000. There was issued accordingly $10,000,000 of additional stock in the shape of a stock dividend to the owners. The next year a little increase of pressure at both ends would justify an issue of $20,000,000 of bonds, in the main similarly disposed of. This was the process; by these means (regarded in all financial circles as perfectly legitimate) the enormous profits were absorbed without increasing the dividends or attracting attention, and until the limit of endurance of the miners or of the public should be reached there seemed to be no reason why the process should not continue.

One of these railroads, the Philadelphia & Reading, was among the most heavily capitalized railroads in the world, so that conservative financiers were often aghast when they contemplated the load it was carrying. Most of

its securities represented capitalized earning power, which, to speak quite plainly, is equivalent to saying that they represented extortions practiced upon the miner on one side and the coal consumer on the other. So great, in fact, had become the burden of common, preferred and second preferred stock, first and second mortgage, debentures, income, general and consolidated bonds, that even with ample assistance from the company store and the docking boss, great difficulty was sometimes experienced in meeting all of the company's obligations, and it was necessary to omit the paying of sacred dividends. In spite of these stupendous totals of securities, still more had recently been issued, and it was the gentlemen in charge of the Philadelphia & Reading that had really brought about the combination, the increase in the price of coal, and the decrease of the days of mining, that revenue might be provided to meet the charges on these securities.

The essence of the situation then was this: In New York and other cities great populations were suffering for lack of coal. In the mountains was a plenty of coal. Great numbers of miners were suffering from lack of work. At their hands was a plenty of work to be done. Between these two great needs and two great natural supplies stood a group of irresponsible persons that for their own profit made coal dear in New York and work scarce in Pennsylvania.

For this condition I could find then no defense, excuse, nor even palliation, and I have been able to find none since. The only advantage that resulted from it was that a small group of men, six or seven, perhaps, was enabled to live in the greater luxury. From this fact society at large could not be conceived to derive the slightest benefit. The concern of society was that people should have coal and men

should have work. With this fundamental concern these six or seven men were abnormally interfering and there could be no escape from the conclusion that the system of society that allowed interference in matters so vital to the general welfare had in it a fatal fault.

Two other facts connected with this episode seemed to me significant, and may seem so to you. The clamor of the newspapers and the general disgust of the public had such an effect that this particular combination was after a few months dissolved, one of its projectors publicly declaring that he did not care to be called a thief and an oppressor. But—and here is the great point—the price of coal was not reduced, it has since been still further increased, and another combination under another name took the place and performed all the functions of the first.

The other fact is that eight miners that had been detected (in spite of many precautions) in giving me information about conditions in the mines were dismissed from their employment and at once blacklisted at every mine in the three anthracite regions. It appeared, therefore, that the men in control of the country's coal supply had also (in effect) over their employees the power of life and death; for assuredly you deny to a man the right to live when you deny to him the right to the labor by which he sustains life. I was, therefore, irresistibly reminded of medieval feudalism, from which these conditions seemed in no way different. The coal mine owners reproduced exactly the barons of the Rhine that levied for their ease and luxury arbitrary tribute upon the highway, and the miners were their serfs; nor was it possible for me to see how any person that rejoiced in the fall of medieval feudalism could fail to protest against the feudalism of the modern system of industry.

CHAPTER II

THE STORY OF THE BUCKO MATE

BEFORE the introduction of steam pilot boats the pilots of New York cruised out of the port in swift, handsome schooners that I suppose were the best vessels of their class ever sent to sea. Whereas the steam pilot boat now stands off the bar at the harbor-mouth, the sailing pilot boat of the old days stretched far down to eastward, sometimes five hundred miles. There was keen competition among the twenty-odd boats of the two fleets, New York and New Jersey; racing occurred almost daily, and the life, though not without danger, had a certain charm.

My work as reporter had brought me to know many pilots (a class whose worth, skill, and virtues have never been adequately celebrated), and for pleasure I sometimes went on cruises with them. The working complement of a pilot-boat, I may explain, consisted of the boat-keeper (a kind of captain), four or five sailormen, and the cook. Usually four pilots went out; the boat would remain at sea until these had been placed on board incoming vessels, when the boat-keeper would bring the boat back to port. In the summer of 1890 I made a cruise on the *E. F. Williams,* pilot-boat No. 14, a craft of which the owners were justly proud, and on which I had frequently voyaged. When I joined her at the Tompkinsville anchorage I found on board a new member of the crew. I think I have

never seen before the mast a more unnautical figure. He was about twenty-two, tall, gaunt, and wiry, and his dress, gait, language, and movements were all eloquent of rusticity, and, indeed, of the plow. What made his present employment the stranger was that he was in no condition to do a seaman's work, even if he had known how. He carried his left arm in a sling, walked with a limp, and looked pale and sickly. One eye was rather shockingly discolored as if from a recent blow, and one cheek showed a long, broad scar, only partly healed. While we were getting under way he stood about rather helplessly, and I surmised that his contribution to the vessel's handling would be small.

The presence of this singular person gave me some curiosity, and as soon as he recovered sufficiently to stand a watch forward (it quickly appearing that he was no helmsman for a schooner) I made a point of sharing his watch and talking with him. His name was James Summers. He had been born and bred in the mountains of Kentucky, where his way of life had varied from farmer's boy to teacher of a rural school. His parents were dead, and about six months before he joined the pilot-boat an uncle in San Francisco had sent for him, previous to which he had never been outside of his native county. On the train his pocket had been picked of his wallet, which contained his uncle's directions and address. In San Francisco an obliging stranger had undertaken to guide him to his uncle's house, which I deem to have been somewhere in the suburbs. On the way they stopped for refreshment in a water-front resort, and the next clear remembrance the young man had was of lying on a rolling floor while a stout, red-faced man was trying to awaken him by kicking him in the ribs. He struggled to his feet to find that he

was on a ship about fifteen miles, I should judge, southwest of the Farallones. He had been shanghaied.

He gave a mighty cry when this fact was at last borne in upon his groping consciousness, and was promptly knocked down by the red-faced man, who proved to be the vessel's first mate. The cook, who seems to have been almost the only tolerable person on that floating hell, came to his help and dragged him out of sight to explain a situation doubtless familiar enough on most Cape Horners. While Summers was unconscious from drugged liquor he had been signed as an ordinary seaman on the American ship *Willie Schernhorst,* bound from San Francisco to New York. There was no help for this situation but to keep perfectly still, obey orders, learn his work, do it faithfully, and he would be all right and probably like the job. Thus the cook. Subsequently Summers added to this outline of his position the fact, very important to this narrative, that he had been shipped for the round trip to be paid off on the vessel's arrival in San Francisco.

He was a simple soul, unimaginative, unattached, accustomed always to hard work, and probably the horrors of his lot did not at first appeal to him so much as they might have appealed to another. At least it appeared that he had determined to make the best of the situation, and apply himself to learn his duties; the extent of which task may be gauged from the fact that he knew not the bow of a ship from the stern. He was seasick at first, and was allowed to lie in a dark corner of the fo'c's'le, but as soon as he was on his feet he found himself in the first mate's watch and being driven with blows and curses to pull on ropes whereof the names and uses he knew nothing, and to go about the ship on errands that he always bungled. There was another landsman on board, a former miner

from Colorado, whose plight was much like his own, and their common misfortune drew them somewhat together. The rest of the crew were mostly experienced sailors, though as Summers presently discovered, all were new in the Cape Horn voyage. Nearly all had come on board drunk, and being now sober, were busily lamenting their ill-luck in leaving San Francisco.

Summers said that from the first what struck him as strange was the senseless brutality with which the crew was treated. No effort, however willing or zealous, seemed to satisfy the mate. Every order was given with curses; many with curses and blows. When all hands were pulling with every ounce of strength upon a sheet the mate would come among them, striking and cursing. At the least sign of resentment the incipient rebel was singled out and beaten, sometimes until he had to be carried to his bunk. The mate seemed to have a particular spite against all the old sailors; the landsmen usually fared better at his hands. But one night, when they had been out three weeks, the mate, with an oath, struck at Summers, and the Kentuckian made an angry retort. The mate leaped backward, knocked a belaying pin from the rack under the shrouds, and with the same motion caught it and hurled it so dexterously that it caught the Kentuckian on the side of the head and stretched him senseless. When he came to he found himself ironed and in the hold, I think. He did not know how long he lay there, but he said the cook came to him several times with bread and water. Finally, an old shellback sailor came and, sitting down by his side, told him matters that he called "sailorman's sense." They were to the effect that he had no chance except to submit to everything, keep silence, do his work, and try to avoid irritating the ship's officers. Not long afterward the mate

came down, took off the irons, and with a kick told him to get on deck.

They weathered the Horn in the Antarctic summer, a mercy the landsmen did not understand, and as soon as they stood away north the cruelty redoubled. Not a day passed without violence: often there was bloodshed. Sometimes the captain joined in the savage persecution, but usually the mate was their chief oppressor. He would come on deck, find fault with the way a rope was coiled or a sail furled, work himself into a passion, and always end by assaulting someone, either with his fists or with a belaying pin. In the latter case the beaten man was usually carried off insensible. Summers said that although none of them had much spirit left, and all were without weapons, only the fact that the officers went about conspicuously armed to the teeth prevented an uprising. Each mate had two great revolvers at his belt, and the handle of a revolver always showed from the captain's pocket. The brutality was so incessant and fierce that the strongest men in the crew were wont to wince whenever the mate approached. Yet it was almost always without the least apparent provocation that they were beaten: they would have been glad to win peace if they had known how. This continually puzzled Summers, and one night when both were far forward by the heel of the bowsprit and out of the hearing of the others, he asked the old sailor about it. The sailor said:

"Aw, it's part of the game. It'll get worse as we head up for the Hook. Mind me and keep out of the way if you want to get ashore alive."

Summers asked him "What game?" but got no satisfaction. The shellback only said that this was "a bucko mate," and he had "heard about him before."

The mate usually applied to the crew at large what is admitted to be the most degrading name in the language. One day he hurled it at the Colorado man. It is not a name to be used with impunity in Colorado. The miner sprang at the mate's throat. All the suppressed hatred in that beaten crew boiled up. With oaths and shouts they ran towards their oppressor. He whipped out of the way and stood defiant with a revolver in each hand. The men fell back a little. At that instant the captain strode from the companionway and surveyed the scene.

"Mutiny, eh?" he said. He picked up a belaying pin and struck the miner a blow that, as Summers said, crushed the man's head like an egg. Then he whirled around with his drawn revolver and menaced the crew.

"The first one of you that lifts a hand or says a word gets the same medicine," he said. "You don't know who you're fooling with. Mr. ——, drive these rats forward and shoot the first one that starts a mutiny."

Summers said that all he knew about the miner's fate was that he never saw him again. The word went around the ship two days later that a body had been buried in the morning watch, and a man's death had been entered in the log as due to heart disease.

The shellback's prediction was verified. As the ship went north the brutality increased. Summers said there were always two or three men in their bunks with broken bones or insensible from beatings. He made careful note of every assault, for he assumed that as soon as the ship reached port the captain and mate would be arrested and he would be a witness against them, if he managed to preserve his life. By this time he had become quite friendly with the old shellback, and one fine night when they were

on their place of wonted resort, the bowsprit, he casually mentioned this view of the matter.

"Arrested!" said the sailorman. "They won't never be arrested."

"Why not?" Summers asked. "It's crime, isn't it?"

"Why not? Well, I'll show you why not. Who's goin' to say anything? Any of this gang? Well, I'll bet you she won't be tied up to the dock before every man on board will be scramblin' to get ashore and never come back. I'm goin' out the hawse-hole myself. Naw, there won't be nothin' said, and don't you say nothin' yourself. S'pose this is the first ship that's seen these things? Who cares for a drunken sailor? Nobody'd believe him anyway. You'd only be pinched yourself and the old man and the bucko'd go free."

Summers said that in the final tempest of violence that broke out just before the pilot came aboard he received the hurts from which he was still suffering, including a broken arm and a blow on the side of the head from a belaying pin. The cook set his arm that night. The moment the ship was secured to the pier all the officers went below, as of purpose. The crew dropped over the side like rats and disappeared. Summers followed the shellback down one street and up another, having no idea where he was going, until they plumped into a sailor's boarding house, which, from Summers's description, I concluded must have been in the upper part of West Street. Here they lay for several days until Summers's hurts had somewhat healed. The shellback got a berth on a coastwise steamer. Before they parted he made Summers understand what he had meant by the phrase "part of the game" that he had used that night on the bowsprit.

"You see," he said, "that's where the bucko mate comes

in. That's his job. We was all signed for the round trip, 'Frisco to New York and back, wasn't we? And we was to be paid off in 'Frisco when we got back, wasn't we? Well, if we all desert in New York we don't get no money, does we? Well, if the mate makes that ship a hot enough place we'll all desert, won't we? So then they'll ship a new crew, New York to 'Frisco and back to be paid off in New York, won't they? An' the bucko mate, he'll make it hot so they'll quit at 'Frisco, won't they? So the owners won't never pay no wages, will they? Well, ain't that what I was tellin' you? I leave it to you if you'd stayed on that ship another four months for ten times the wages. You bet you wouldn't, and if you had, they'd 'a' stove your head in. That's the bucko mate, me boy. I heard of him before and now I know him."

Before they parted the shellback introduced Summers to some cronies, including the boarding-house keeper, who seems to have been of a stamp other than traditional. There was much conferring among them, the purport of which he did not understand, but after some delay and the coming and going of messengers Summers was taken by night to Tompkinsville, and found himself dropped on board the pilot boat. He said he suspected that his story was not unknown to the kind-hearted pilots, but for certain reasons he deemed wisdom to lie in asking no questions.

To me the story seemed on its face a bit of extravagant fiction. From time to time we had heard stories of cruelty on Cape Horners, and from the cloudy memories of the hurrying life a reporter necessarily leads in New York, I recalled some threads of cases in the police courts not unlike this. But that there should be any deliberate plan to avoid the paying of wages by making men desert seemed to my mind clearly impossible. Shipowners were not so

constituted. Yet to believe that a man like Summers could have invented this tale was even more difficult, and I concluded that he merely had been reading red-hued literature.

It happened that this cruise of the *Williams* lasted unusually long. We had met with no steamers, and my leave of absence was drawing to a close. On Georges Shoals one day I transferred to another boat that had been more fortunate, and was bound home in charge of the boat-keeper. This boat-keeper and I became close friends, and I related to him Summers's story. It happened that one of the pilots belonging to this boat had brought in the *Schernhorst*. Pilots as a rule are the most close-mouthed of men, particularly about their work and what they observe while doing their work. But what this pilot had seen and heard on the *Schernhorst* seemed to have moved him out of his reticence, and he had confided to the boat-keeper facts that confirmed much of Summers's story. The boat-keeper also told me that the bucko mate was a perfectly well recognized maritime character, and his function was exactly as it had been described to Summers by the shellback.

"The whole thing is a trade," said the boat-keeper, philosophically. "First, there is a trade in getting sailors drunk and shipping them on board a Cape Horner. No man sober and not crazy would set foot on those ships. Then there is the bucko mate's trade of making them desert. They have to pay the crimps for getting them aboard—$5 a head. That's all. It takes about thirty men to handle one of those clippers. Wages $30 a month. From New York to 'Frisco and back is anyway eight months. That's $240 a man. Now if they can get men for $10 a head, $5 here and $5 in 'Frisco, they think it's good business; they save money."

At once upon my return to New York I was sent out of the country on a mission that absorbed all my attention for several months, and it was long afterward that I heard of the sequel of the voyage of the *Schernhorst.* It appeared that not all of the sailors followed the shellback's advice and example; some were unwilling to submit in silence to assault and battery. Three of them appeared in the Tombs police court and swore out warrants for the arrest of the captain and mate. I judge that the proceedings must have been of an edifying nature. The reporter that described them for the *Herald's* news columns told me that the butchers of the *Schernhorst* appeared before the magistrate freshly shaved, immaculately dressed, and wearing an air of innocent respectability. They were defended by one of the best known law firms in New York, reputed to command very high fees, a circumstance that awakened some speculation among the reporters. When, in spite of the specious plea of a very celebrated lawyer, the magistrate held the prisoners for trial on the charges of assault and cruelty on the high seas, cash bail was instantly produced for them and they walked forth free. Similarly, when two weeks later they were indicted by the grand jury the same law firm was on hand with the ready bail.

Soon afterward the *Schernhorst* sailed with the same captain and mate, and doubtless with a shanghaied crew. About six months later, when the district attorney was ready to call the case, he discovered that the witnesses had disappeared, whereupon he quashed the indictment.

We had not yet heard the last of the *Schernhorst,* however. On her arrival at San Francisco it appeared that for a day or two there was a recrudescence of her bloody story. The feeling must have been rather unusual while it lasted, for the newspapers were moved to send reporters

to interview the principal owner. This gentleman, quite famous in his state, eminent for his charities and marked with public honors, was at first politely incredulous of the story. When such evidences were put before him as did not admit of doubt he observed that if anything of the kind happened on his ships it was, of course, without his knowledge and against his wishes. He employed only careful and humane men for captains. He would make searching inquiry and deal severely with the captain and mate if he found that the charges were in any degree justified. He would have no cruelty on his ships, and he wished the public to know that he would not.

With this generous expression the story came to an end. The charitable owner must have forgotten about the inquiry or have been singularly obtuse to testimony. The captain and the mate were not severely dealt with, and both continued to sail the seas, and no doubt to command ships in which no wages were paid.

But the indignation, short-lived and feeble as it was, did not pass without calling forth some defense of the charitable owner, who, it appeared, was regarded in some quarters as a man unjustly assailed. It was urged that you cannot sail a ship without some cruelty, you know; and that the sailors were all drunken, depraved brutes that could not possibly be managed without force, because force was the only thing they respected. And as for the wage matter, if the sailors would violate their contract of course the owner was not to blame for that. And above all, there was Competition. Competition was keen in the carrying trade. You could not really expect an owner to run his ships at a greater expense than his competitors. The carrying trade was no philanthropy. It was Business. And with these remarks the whole matter dropped from

sight, and the shiploads of bruised and wounded men continued to arrive at Atlantic and Pacific ports as before.

The defense of the shipowner will properly seem to any just man but wretched subterfuge, and the whole business one merely for loathing and horror. And yet, under the existing system of society it was not without its valid justification. The bucko mate that beat men with belaying pins was not really, as might appear at first glance, an innate ruffian, dealing in cruelty for the love of it. He was himself, like the men he so horribly maltreated, a victim of conditions. I may say that long after I heard the story of Summers I met some of these butchers and noted with surprise that off the seas and away from their hateful trade they had all the manners and traits of decent men. Some were of an unusual intelligence, and one, strange as it may seem, had a strong vein of sentiment and feeling. I would not seek to soften in any way the shame of their deeds, yet I am convinced that at least some of them pursued with aversion their barbarous calling, and all of them were cruel because under existing conditions they had no choice.

Let us take good measure of this, because it is the best conceivable example of the utility of our wise and invariable practice of holding individuals responsible for world-wide conditions that no individual can possibly affect.

Competition was very keen in the carrying trade. The expenses were great. Much of the success of the enterprise depended upon the commanders of the ships. They were the agents of the owners, handled the owners' money, returned to them bills of expenses, and could largely contribute to make the voyage profitable or unprofitable. Each of them held his place at the dagger's point of competition; if he proved unsatisfactory, there were a hundred men

ready to jump into his place. One of the captains discovered that if he signed a sailor for the round trip, and the sailor deserted when half the trip was done, the ship saved that sailor's wages. The saving was apparent on the balance sheet of the voyage; the means by which the saving was effected was not apparent anywhere. The captain was praised by the owner for the good showing he made in keeping down his expenses. It was inevitable that he should next proceed to the plainly indicated step of encouraging men to desert, and the easy way to that was to make the ship so uncomfortable for them that they would not stay. The only result that the owners perceived was that here was a jewel of a captain; he could keep his expenses down. He had their praise and rewards; he was secure in that place of his that one hundred other men were trying to wrest from him; he was certain of employment.

Of course, what one captain achieved the others must achieve. Other owners would say to their captains, "Here is Captain So-and-so; he makes the round voyage on such an expenditure: why can't you?" And their captains would be compelled to do it. They would have no recourse. It would be quite useless to say that the captain held up to them as a model secured his economies by exercising cruelty. The owners had nothing to do with the methods employed and could have nothing. All they knew was that their competitor was operating his ships for a reduced expense, and because of that reduction of expense, was carrying freight at reduced rates. They must operate with a similar reduction of expense or retire from the trade. Their ships were operated to make money; they represented investment; they could not fairly be expected to lose that investment any more than other men could

be expected to lose their investments. Some captains were able to keep down the expenses; therefore other captains must show equally good results or lose their places.

The captains understood this very well; so did the mates, each of whom was striving for advancement. The "smart" captains were sure of their places; the "smart" mates were sure of speedy promotion; to be ranked as "smart" meant to get the ship through in the quickest possible time on the smallest possible expense. And to keep the expenses down, here was the safe and certain way.

And if we come to that personal equation we are all so desperately fond of dwelling upon, no good would have resulted if any captain or any mate had refused to accept these conditions. He would merely have lost his place, which would have been taken by another man, who would do what was required of him or in turn lose his employment. The practice of cruelty would not have been in the least abated. The one man's conscience might be saved some hard wrenches, but no fewer heads would be broken on the Cape Horners. Similarly, no good would have resulted if any owner had revolted against the laws of competition. He could do nothing but retire from the trade, and whoever should take his place would be driven to keep his expenses down or in turn be driven to the wall. And neither his objection nor any other man's would alter the conditions of the contest that competition institutes everywhere.

It is always interesting to note how differently different aspects of an identical subject will appeal to different persons, and how hard it is sometimes to recognize a fundamental truth if it be but slightly disguised. I have never told the story of the bucko mate without calling forth indignant comments, as if it were a thing unique in the

record of human savagery. As a matter of fact, it is only one phase of a common evil and one fruit of a principle that similarly affects wide areas of humanity. To beat men on the high seas is not really worse than to slaughter them on railroad grade crossings, poison them with putrid meat, or allow them to burn to death because of rotten fire hose. A series of events passing now under my immediate notice served to sharpen the perception that the bucko mate was only one product of the competition and greed that filled the world with misery.

For instance the legislature of the State of New York, moved by some dreadful railroad accidents, had passed a law for the better protection of passengers' lives, directing the removal of stoves from passenger cars. Some of the railroads ignored this law. Because of this lawlessness six persons were burned to death in the Park Avenue tunnel, in New York City, and (as it happened) almost before my eyes. When the responsibility was by the newspapers brought home to the officers of the offending railroad they said that the law was unfair, that the change from stoves to another method of heating would have entailed too great an expense, and that the finances of the road would not have justified them in making the change. Yet we knew quite well that this railroad, the New York, New Haven & Hartford, had been enormously over-capitalized, and that a large part of its earnings had been used to pay the interest on fictitious securities.

Six months later, in a collision on another railroad, seventy-two persons were killed or maimed. A reporter called to the attention of the managers the fact that a device used abroad would have made such an accident impossible. The managers did not deny this, but said that to install such an apparatus on their railroad would involve an expense

that in justice to the stockholders could not be assumed. And yet, of the capitalization of this railroad two-thirds were fictitious and constituted only "melons" to the owners. From these "melons" had been built, in a single generation, one of the most gigantic fortunes in the world, a tithe of which would have made the railroad safe instead of dangerous.

The same year saw a strike of switchmen employed on this railroad. They had been in receipt of something like $40 a month, if I remember right, and asked for $42 or $45. The management indignantly rejected the demand. Much difficulty was experienced in operating the railroad from New York to Buffalo, traffic was impeded, and the militia was called out, though for what just reason was not clear. At Buffalo the military commander drew an imaginary line on the highway beyond which no striker was to step. A man passed that line (inadvertently, it was asserted) and a soldier shot him dead. This seemed much the same as to smite him down with a belaying pin. Neither the shooter nor his commanding officer was punished for the bloodshed. I believe they were not even obliged to find bail.

Soon after this event the beautiful new steam yacht of a principal owner of the railroad made its first appearance in port. She was almost as large and cost almost as much as an ocean liner, and all the skill and resources of the foreign builder had been taxed to equip her lavishly with beautiful cabins, parlors, music room, saloon, marble bathrooms, hangings of fabulous price. The owner was on board. Some of us were relieved from strike duty and went down the bay to interview him. He was a solemn man and took himself, his position, and his yacht seriously. He had a great many servants, all of whom were very

deferential and humble toward him, and very arrogant toward everybody else. It was difficult to see him, almost as difficult as to get an audience with a foreign potentate. He came out at last and said a few words about his yacht. We told him about the strike, but he did not seem interested, and quickly excusing himself retired into what seemed to be the gloomy and revered state of his cabin.

The switchmen lost their strike, and such as could regain their positions returned to work at the old wages. Even in those days $40 a month was a very small income on which to support a family, and nearly all of the strikers were married. A switchman's duties are both arduous and exacting. I suppose you have noticed the long cabins in which the switchmen work in a railroad yard or at a junction. There is a row of perhaps thirty or forty levers, each controlling a different switch in the yards, and the men go to and fro throwing these levers back and forth as the trains come or go. Sometimes an error in the use of one lever might cause the loss of a hundred lives and much property. Yet the men make very few errors. They are therefore assisting the enterprise, they are doing a work useful and necessary, they are of service to society, they contribute something that the world must have. And at that time they were drawing from the enterprise the barest subsistence, no more than enough to maintain life on the most slender terms.

The owner of the yacht had never contributed anything to the enterprise. He did not even attend the meetings of the board of directors of which he was a member. He was of no service to it nor to society. Yet from the enterprise to which he contributed nothing he had drawn this floating palace, a stately residence in New York, a château in France, a stable of racing horses, and an annual income

that no luxury nor extravagance could exhaust, even when he gambled with it at Monte Carlo. The fortune that had placed him in this regal position had been drawn from the public largely by fraud, and the means of his luxury were obtained by unfair charges upon shippers that affected millions of consumers in all parts of the country. As in the case of the workless miners and the freezing East Side there seemed to be no power of casuistry that could disguise the monstrous injustice of this situation. And here again was the most obvious fact that the inexhaustible fortune and beautiful yacht of the railroad owner were of no possible benefit to the public. Except for the occasional privilege of beholding the beautiful yacht from afar as she sped abroad with her fortunate owner, these things meant nothing in the world to the public. What the public wanted was transportation; it did not need yachts, nor Monte Carlo, nor racing stables: and all these amusements of the railroad owner furthered in no way the public's transportation service, but only hindered and impaired that service. And here again was the most obvious question as to what the public had gained from its bestowal of those privileges from which this monstrous fortune had been gained and the yacht had been built. To this question I have never found any answer, nor been able to hear of any person that has found one.

When the managers of this railroad had been asked why the request of the switchmen for an increase of pay had not been granted the management had responded with two reasons. First, that the increased wages asked were unreasonable in view of the state of the labor market; that is to say, that competition among workingmen had acted to keep down the price of labor. Second, that the financial condition of the road was such that the increase could not

be afforded. Yet if from the beginning there had been no issuing of fictitious or watered stock this railroad could afford to pay its switchmen $200 a month and still return ample dividends on all of the money actually invested in it. There seemed to be no escape from the conclusion that this was a condition extremely difficult to defend.

CHAPTER III

MORE ABOUT BUCKO MATES

Of the identical principle involved in all these matters many illustrations came afterward under my observation. For instance, the burning of a steamboat with the loss of several hundred lives was the means of revealing the fact that some manufacturers of life preservers for use at sea were in the habit of filling their product with scrap iron instead of cork, because scrap iron was cheaper. This was, of course, equivalent to causing the death of almost any person obliged to intrust his safety to such a device. Upon the publication of this discovery a wave of horror swept over the country and the manufacturers were somewhat recklessly denounced as cold-hearted villains and no better than murderers. A little investigation showed that they were not, in fact, of depraved or even unusual character. Competition was keen in their trade. For every contract to supply life preservers there was a surplus of bidders. Under the stress of this conflict the quality of the goods gradually declined as the prices were cut in competitive bidding. From making life preservers of cork so poor that it would not float, the manufacturers drifted into the habit of filling the life preservers with other and still cheaper materials. Disastrous as the results might be, no one in the trade really contemplated manslaughter. It was a custom brought about by competition and probably accepted without thought in the fierce battle for business.

About this time the *Chicago Tribune*, as the result of

long and minute investigations, made known some startling facts concerning the prevalence of adulteration in the drug trade. It declared that of one substance quite commonly used in surgical dressings it had been unable to find a pure specimen at any drug store, and most of the many specimens purchased had been not merely adulterated, but adulterated with a chemical extremely dangerous to introduce into a wound. The *Tribune's* conclusions, all apparently well based upon investigation and analysis, were that the adulteration of the most important drugs was almost universal. Much indignation followed this showing, and the manufacturers guilty of putting forth these goods and druggists that knowingly purveyed them were bitterly denounced. But here again it appeared that neither the manufacturers nor the dealers were villains, nor different from other men. Strange as at first thought it may seem, they were really estimable persons. The practice had grown up without the responsibility or even consent of any man. Competition was keen in the drug trade; prices were cut to obtain business; to maintain at such prices the pristine quality of the drugs was impossible. By a slow declension inferior quality became adulteration, and adulteration grew worse. It was a custom of the trade and a product of competition.

A civil suit in New York between manufacturers of woolen underclothing and a dealer therein revealed in court that a very large part of the undergarments sold as pure wool really contained from 25 to 50 per cent. of cotton. It was admitted that to persons of feeble constitutions or of weak lungs this deception might have the gravest consequences; but the men that made cotton goods for woolen did not intend to spread tuberculosis and influenza. Competition was keen in their trade; by the

admixture of a little cotton a manufacturer was able to offer his goods at a lower rate. In a short time all the manufacturers were mixing cotton with their woolens. If they had not done so they would have lost business and in the end would have been ruined. A stronger law than regard for human life drove them into the practice. If a man's competitors resort to a deception that reduces the cost of their product he must resort to the like deception or retire from business. He has no alternative; he absolutely must do as they do or give over the fight. And if he gives over the fight that will help nothing. The deception will go on as before. His place will be taken by another, who will practice the deception in turn or be ruined. That a man should accept ruin merely because he will not practice what is universal in his trade is an act of quixotic virtue that we never have required and never should expect. If he does what the rest do that is enough of honesty. You cannot demand of him more. Competition rules him with iron rods. He must do this and he must not do that, law or no law, and no matter what the results may be to others.

This great fundamental truth, so often overlooked by spasmodic moralists, was very frankly professed before Congress when what is called the Pure Food Law was under debate. Advocates of the measure showed conclusively that the adulteration of food products was a common practice. One member of Congress covered the top of his desk in the House with samples of food purchased in the open market all containing adulterants. Some of the adulteration was with substances exceedingly injurious to health and some with deadly poisons. For instance, salicylic acid and formaline or formaldehyde were very generally used as preservatives, and, of course, as to the

injurious and even perilous nature of these substances there was no chance for dispute. Borax or boracic acid was used on practically all meats and poultry that underwent a considerable transportation, and experiments by the national health department established beyond question the extremely harmful effects of these drugs when taken internally. It also appeared that an immense number of prepared foods were fraudulent. Jams and jellies were made of sawdust, pumpkin rind, and dyes; apple butter was made of sawdust and acids; honey was made of glucose; vinegar and syrups of all kinds were artificially prepared; canned peas were artificially colored; certain condiments were made of pumpkin rinds and the seeds of a common weed; cider was so generally made of mineral acids that almost no pure cider could be obtained in the market; mince meat was often a hash of repulsive materials colored and flavored; marmalades were made of stewed wood, and coffee beans of flour paste. These are but a few samples of a condition that to the uninitiated seemed appalling. Instead of food it appeared that the nation was being fed upon refuse and poisons.

To cure this huge and menacing evil a law was asked. It was fiercely and resolutely opposed on the ground that the substitutions and adulterations were not really injurious, and that to forbid their use would be ruinous to business. Competition was not only keen but peculiarly interwoven; because while two manufacturers, for instance, might compete in some lines each would have a line in which the other did not compete, and it was from the profits in this line that the losses caused by competition in other lines were repaired. Still more important was the overshadowing menace of foreign competition. Other nations did not thus restrict their manufacturers, who, if

the law passed, would have the American manufacturers at their mercy.

The force of these arguments must have been perceived by Congress, for it obligingly took from the law every feature that could seriously interfere with adulteration and passed a measure that bore the name of the Pure Food Law without really securing purity.

In the same discussion interesting conclusions were reached as to what are called short weights. It appeared that many manufacturers had a table of weights and measures quite different from any recognized by law or the text-books. A pound with them was usually fourteen and sometimes thirteen ounces, and a so-called three-pound can really contained only a trifle over two pounds, although sold as containing three. The attempt to rectify this fraud was defeated on the ground that it was necessary to enable the American manufacturer to do business and meet competition.

Some persons that noted these revelations broke forth into clamor against men that sold poisoned foods and put forth fraudulent weights, denouncing them violently; but we may as well admit that in truth they were not worse than other men. Most of them had much personal worth. A man that made fruit jellies from sawdust for example, was well known to be of unusually high character, kindly, generous, and honest. Competition was keen in the trade; the pressure to produce goods at lower cost was enormous and irresistible. If your competitor could offer goods at less than your prices he won and you lost the trade. That was business. You could not expect a retailer to purchase your goods at a higher price merely to oblige you or because you said you were honest. If he were to do that he in turn would be ruined by his competitor. An inevitable

law, beyond all ethics, all legislation of men, all considerations of public health, all accepted notions of honesty, absolutely demanded that you should do as your competitor did. You must meet his price list or retire from business, and if you retired that would do no good, for the man that took your place must practice the adulteration or perpetrate the deceit or go himself to ruin.

In other words, what was at fault was not the character of the man involved. Men that can tomatoes or make glucose are no worse than other men. The effort to make them appear so is most unjust; so is every effort to shift upon the individual the responsibility for a general condition. What was at fault was the system, and nothing else. It was clear that so long as men to live must fight upon the battlefield of competition they will do all these things and worse, and literally all the laws that human ingenuity can devise will not stop them.

We can see some unexpected results of this system, and also the reason why the system itself is doomed to break down if we will but look for a time at things as they really are.

Let me illustrate again. I will take two examples familiar, no doubt, to all observing travelers in the Orient. At Port Said I found that the ships were coaled by a swarm of wretched brown men, stripped to the loins, who from barges moored alongside carried the coal in baskets to the steamer's hold. They worked in a suffocating cloud of dust, the heat when I observed the strange spectacle was maddening, and they were driven, one might say, under the lash, for the armed overseers were essentially slave drivers. When one fainted or perished at his task another instantly arose to take his place. I knew that in many other ports machinery was used to coal vessels, and I per-

ceived that here human life was cheaper than machinery because competition had made it cheaper.

In Colombo, as in many other cities of the East, conveyance through the streets is by the 'rickshaw, a little carriage hauled by a man. The work is so hard and unnatural that it strains the heart, and the average length of a 'rickshaw man's life after he enters the trade is eight years. Then he dies of heart trouble. You see almost no automobiles or carriages in the streets of these cities, and the intelligent natives laugh at the idea that automobiles should be introduced. Human beasts of burden are cheaper than automobiles or carriages, and competition has made them so.

In every Oriental country you will see men and women doing work that is elsewhere done with machinery, and will find that the introduction of machinery is unnecessary because human life is cheaper; and again competition has made it so.

At first thought the investigator, particularly if he be an American, is inclined to think that these conditions result from the Oriental cruelty of which he has heard so much, or from the overcrowded populations or from some other reason peculiar to the locality.

He need but turn for a moment to any of the great steel works of America to see how baseless is this notion. Take the works of the Illinois Steel Company at South Chicago, which constitute an independent principality not affected by the laws of Illinois nor of the nation, where men are daily maimed and almost daily killed without reckoning from the police or other constituted authority. Or take one of the great Carnegie works in or about Pittsburg; go into one (if you can) at night. A vast swarm of men, naked to the waist, toil here at the imminent risk of

the most terrible form of death. Here men with wheelbarrows pass along a narrow foot-way twenty feet in the air, throwing spiegeleisen into the great furnaces. A single misstep in the glare, confusion, and smoke of the place would plunge any one of them into the seething metal below. Here are men surrounding a crucible of melted steel moved with a huge crane. Almost every night the crucible upsets or breaks or in some degree goes wrong and somebody is horribly killed or horribly burned. As many as five men have been killed in a night in one of these places; on some fortunate nights men will be only a little burned or maybe crippled for life. In another place are the rollers. Snakes of white hot steel shoot out from between them. Men stand ready with great tongs to catch each snake as it issues and run forward with it all its length and then return it through other rollers for men on the other side to catch and run with. One inadvertent movement and the white hot snake strikes a workman on the naked breast maybe and darts through him and impales him. Then the shed or the mill echoes above the din of the machinery with one awful scream, and all the men know the end of one man's troubles. They have five minutes in which to get his body out of the way. Once they were allowed three; now they are allowed five. Then they must be back at their work, each of them knowing that the next instant it may be his turn to fall and be by his fellows cast out of the way.

Of these deaths the authorities ceased long ago to take cognizance. Not because the authorities were callous or cruel, but because the deaths were too common; they were merely a part of the business; they always happened in about the same way; it was but a cog gone from the wheel,

and instantly replaced. No good could come from daily repeating the same farce of formal inquest—over a cog.

Yet observe. The work is extremely dangerous. It is also very ill paid. By it men win, as the men on the Port Said coal barges win, the price of a loaf and little more. Yet as fast as one man is stricken down in this terrible way another springs forward to take his place. Competition upon them is a power much greater than the armed overseer at Port Said. Before it they strive for work, even when it threatens death from molten steel.

And are the dangers inevitable and inseparable from the trade? By no means. Most of them are preventable with the use of machinery and protective devices. And why are not machinery and protective devices used? Because here, as at Port Said and Colombo and Hong Kong and everywhere else in the world under the competitive system, human life is cheaper than machinery.

There is still more to be learned from these steel mills. Every now and then some kind-hearted person calls attention to the slaughters that occur so often in these places, and an effort is made to secure an improvement of conditions. It was such a movement that secured the lengthening of the time allowed for the removing of dead bodies. Formerly the time was three minutes; now it is five. Regulation, agitation, the efforts of the kind-hearted, and the appeals of the charitable have had no other result. In spite of all that has been said or can be said on this subject, the steel mills go on as before, grinding up men, and for each man ground to his death another springs forward to take the vacant place. It is so now; it will continue to be so while the system lasts that makes it so.

And now for the influence that will insure the breakdown of the system.

More About Bucko Mates

The steel industry in America is an excellent example of the world-wide movement for concentration and consolidation. It is conducted by a trust, and one of the greatest and most perfect trusts in the world. There are no independent iron-masters; all is in the hands of the trust.

Now, the trust hires managers to conduct its business, and each manager has for his first duty and object the securing of results. Likewise, all his subordinate executives down to the last foreman are hired to secure results. If any one of them cannot show results he must give way to one that can. That is the inevitable law, and under the present system it is neither unnatural nor unjust. To suppose that the course these managers pursue is in any way optional with them, or to blame them because their course sometimes seems cruel is a very simple blunder. The manager is himself but a piece of machinery; if he cannot perform his allotted work he is removed and another takes his place. He would do no good if he were to refuse to do the things or to pursue the policy that seems heartless and cruel; he would merely lose his employment, and his successor would do the things that seem heartless and cruel, or he, too, would be removed. To the showing of results, which is the test as well as the object of his employment, these things are, under the present system, necessary; and not only necessary but daily they become more common. For the surest result of the process of consolidation that produces the trust is the elimination of the individual workman and the production of the human machine.

Take for example the steel mill that we have previously considered. A very large proportion of the accidents that occur in this mill result, as before observed, from the

absence of protective devices and life-saving machinery. In the days when there were independent forge owners, each owner naturally felt some degree of personal responsibility for the safety of the men in his employ. He hired them, they did his work and took his money, he knew many or perhaps all of them by name; if any of them were injured the proprietor knew of it; the vision of the hurt man with his wife and children was to the employer a thing of verity; the scene was always latent in his mind. But with the hired manager the case is very different. He has no responsibility for the workmen. They do not take his money nor do his work; he is himself but a hired man directing other hired men, the most of whom have no more vital existence to him than so many pieces of machinery. He is employed to extract from them the greatest amount of work for the least expenditure of money. If they are hurt or killed the fact has to him no direct significance. If injured men sue the company the manager is not sued; he has nothing to do with the human side of their employment. The greatest amount of work for the least expenditure of money is his sole aim, and the criterion of his success. If he achieve in these ways he wins success and is retained; if he achieve not, he is rejected.

Therefore, he does not add protective devices and life-saving machinery to the plant under his control. Such additions would show on his balance sheet; they would be an increased expenditure without the least increase in the work performed nor in the revenue earned. On the table of results by which he is judged they would be but entries against him; no matter how much he may believe in them as abstract propositions, in practice he cannot adopt them because they have nothing to do with

the purpose of his employment, which is to secure the greatest amount of work for the least expenditure of money.

But then, how about his employer, the company? His immediate superiors, who direct him, and to whom he is first responsible, are the officers of the corporation, hired, like himself, to secure results. They sit far away in an office; the factory is to them a remote and not very tangible thing for the production of the results that they in turn must show to their employer, which is the corporation. If they cannot show results, if their management is deemed unprofitable, they will be succeeded by other officers that can show results.

And the corporation that is the final employer of all? That consists of three or four thousand persons scattered all about the country and in Europe, changing as the stock of the corporation is bought and sold; all ignorant of the conditions in the works, ignorant of the killing and maiming there, knowing only that they have invested in the stock, that they must have dividends on the investment; and necessarily, and not unreasonably, indifferent as to the details.

How foolish then to suppose that anywhere along this chain is a place where the personal character of the men involved could change the situation or ameliorate conditions for those that at the incessant risk of their lives work about the furnaces! Suppose each of the stockholders of the United States Steel Corporation to be a most kind-hearted, compassionate man. If you could by any means make him understand the hell that his company maintains, he would be powerless to change it. Let the officers be wholly unselfish philanthropists, and they shall still be equally impotent. Let the managers be moved to tears by every accident, they can do nothing that shall

prevent accidents. The whole organization is utterly impersonal; it is hard, mechanical, inhuman, relentless, and must be so, and cannot possibly be otherwise. To make profits, to declare dividends, to meet the interest on the outstanding securities, to produce steel, to produce it with the least possible expenditure of money: these are the only considerations that can be entertained anywhere, at any time, by any person in the organization.

The larger the organization the more these conditions must prevail. And as the small organizations are everywhere giving place to larger, and the larger to the largest; as competition forces the men at one end of the line into the mill where their lives are ground out; and as the power of accumulated capital at the other end forces from the enterprise the profits for which alone the enterprise at present can be conducted, it is evident that the idea of ameliorating these hells by appeals or agitation is merely an amiable delusion. While we talk, agitate, and appeal the hells grow steadily worse, the lives of the men employed in them become of the less account.

To suppose that we shall allow these things to increase upon us is contrary to every humane and decent impulse, and contrary to the better sense of our duty to our fellows that is awakening among us. Yet if we think we can effect anything by laws, that is again mere folly. All the laws that now exist are nullified by these corporations whenever the laws interfere in any way with the supreme purpose of making profits. The Illinois Steel Company, for instance, a branch of the Steel Trust, at South Chicago, is, as I have said, an independent and sovereign power, acknowledging no authority but its own. Neither police, nor coroner, nor any other city or county officer is admitted to its precincts. No inquests are held

on the men it kills; no inquiry is allowed, no questions can be asked. These facts have been pointed out repeatedly in the public press; the law remains inert, and will remain so, before the incalculable power of necessity, which is superior to all law.

Why should we not admit facts as they exist? What does it profit us to pretend the impossible? Do you say that we should enforce these laws upon the corporations? Exactly how can we enforce upon any corporation a law that it does not choose to obey? The punishments for law violations not of a capital nature are of but two kinds, fine or imprisonment. Suppose, then, we fine a lawbreaking corporation. It does but pass the fine along to us by increasing the price of its product or of its service; we pay the fine not once but many times, the corporation suffers not at all. Or if we turn to imprisonment, whom shall we imprison? Putting aside decisions of the courts that the officers of a corporation cannot be imprisoned for the corporation's acts, let us suppose that we imprison all the officers of the United States Steel Corporation. They will be succeeded by other officers that must pursue the policy and repeat the acts of their predecessors. Not because they will be bad men or more lawless than other men, but because these acts and this policy will be forced upon them as upon others by inexorable necessity, inherent in the nature and objects of the organization that they serve. And if we go still farther back, there will be nobody to arrest but some thousands of stockholders scattered over the world.

To continue to complain of these conditions while we maintain the cause that makes them inevitable seems merely foolish.

CHAPTER IV

THE STORY OF THE GRAVITY YARD

THE switch engine had puffed laboriously up to the top of the hill, pushing before it a long line of freight cars of all kinds, box cars, yellow refrigerator cars, coal cars, Standard Oil cars; twenty-five or thirty, I should think. At the summit the engineer shut off steam, the wheezy din gave over, and there went along the train the diminishing clank of drawheads as the slack ran out on the beginning of the descent beyond. The switching boss alighted from the engine cab and looked down the line to see if the men were ready. Then he took off his hat and wiped his hot forehead. To me, watching with keen interest a scene few but railroad men ever witness, he seemed anxious and depressed, and as one that at the moment cared but little for his employment. He gave a signal, and the engine, spouting a huge column of smoke, pushed forward a few yards. Then between some of the forward cars the couplings were pulled and the cars began of their own weight to slide down the hill.

For the next two miles ahead of them the main track was joined at intervals by spurs leading to side tracks. The descent was continuous but easy, though I noticed that before the cars had gone far they had gathered momentum and rolled along at a speed of ten miles an hour; perhaps more.

On the tops of the cars, or in some instances standing on the bottom step, were several men—young men, sturdy, active, intelligent looking young men. As the separated

cars ran down the incline the switches, quickly thrown, shifted them upon the side tracks, and thereupon the young men worked the brake wheels to bring the switched cars to a standstill. Often to make the brake more effective they would thrust into the spokes of the wheel a wooden lever (an ax-handle, maybe, or a bit of sapling) and throw upon that their whole weight and strength. Yet sometimes the flight was not wholly checked, and bang! went the switched car into another car that stood on the siding. The spurs went forth at rather wide angles to the main track, and when the car struck the spur the car always lurched violently. At such times the young men clung hard to the brake wheel, that they might not be hurled to the ground. Because at those places many men before them had been so hurled to the ground or between the cars, and the switchmen knew well enough what that meant.

All this was in a place called a "gravity yard," on the outskirts of a certain city and railroad center much known to fame. On the promise that I would not say what city and what gravity yard, I was admitted to view from a point of vantage the exact workings of this most ingenious and singular device. To be further explicit would probably bring upon some very good and overworked men certain perils to which they should not be exposed, for to my knowledge they have now perils enough. However, the name of the place can be of no moment; the gravity yard is the same everywhere; when I have told of one I have told of all.

The purpose of a gravity yard is to enable a freight train to be made up cheaply and quickly. This purpose it serves admirably in the following manner:

Here comes along a freight train approaching, let us say, Chicago. It has forty cars in it, cars picked up all about the West and destined to places all about the East.

Here are cars billed to leave Chicago on every one of a dozen railroads, but scattered through the train; one for the Michigan Central, one for the Lake Shore, one for the Wabash, another for the Michigan Central, one for the Pennsylvania, another for the Lake Shore, and so forth.

You have never thought of it, but when that train gets to Chicago, to break it up and distribute its cars is a tremendous task. There must be a side track for each road, and in the crowded city and among the always crowded and overcrowded yards, how can that be? Real estate is far too valuable there to be devoted to switching grounds of the size required if this work is to be done quickly. Moreover, if the work of breaking up the train and putting it together again, of picking out each car and depositing it upon its proper siding, be undertaken on level tracks (as it must be within a terminal city) a switch engine must make to and fro a separate trip for almost every car. Delay would result, and very likely the choking up of the main track, the interruption of traffic, and the wrath of competing shippers clamoring for the delivery of their goods.

So the gravity yard was devised to save all this trouble. They choose a place for it some miles from the terminal, and construct the long decline, sometimes two or three miles of it, with spurs running from the main track. Then they let the train (in pieces) slide down of its own weight, and as it goes along they distribute the cars upon the proper sidings. Thus all the cars for the Michigan Central, let us say, are switched off upon side track No. 1, and all those for the Lake Shore upon No. 2, and all those for the city of Chicago upon No. 3, and so on. And when the train has passed through the yard all the cars have been assorted and made ready for instant and easy delivery in Chicago. It is like a huge sieve or automatic separator.

Beyond doubt this is a grand device for economy of time and money; but the economy is attained at a price in lives and limbs that seems shockingly high. Every separated car run through this sieve must carry with it a brakeman; to avoid being slung from the car at the switch or catapulted from it on the side track requires of the brakeman almost superhuman strength, skill, and presence of mind. He must often apply the brake at the same time that he is clinging to his perilous perch. But the brake he uses is of the old hand-wheel pattern, and, since the compulsory introduction of the air-brake, the hand-brake has become chiefly a nominal thing. In many instances it is operated with the greatest difficulty; in many others it cannot be operated at all. The result is that the car flies around the curve with undiminished speed, and the brakeman struggling with the useless apparatus is flung upon the ground or the tracks to be maimed or killed.

I have on my desk as I write the record of one of these terrible places. In thirty-two days the foot of one man was torn off, one man was scalped, two lost their arms, three lost their legs, and three were killed outright—that was all that happened in that particular yard in thirty-two days. I have here also a photograph of six of these victims, six young men with their crutches and canes, crippled for life; bright, intelligent looking young men, you would know them instantly and anywhere for young Americans; young men with good faces and good heads, and the stamp of the public school upon them; the oldest, twenty-two or thereabouts, all crippled and sent forth legless or armless into this seething battle we call life.

Six of them. They were working for the railroad company. They were performing with their utmost skill and diligence a dangerous task that, in the view of the company,

must be done by somebody. They had fallen in the service, and the power they had served and been maimed for had thrust aside what remained of them as no longer useful to the enterprise. They were broken cogs removed from the machine and already forgotten, for new cogs had taken their places, to be in turn broken and cast aside.

Such are the facts. They are typical of the gravity yard, and they are typical of many other phases of this monstrous slaughter. Day by day they fall all around us, the men that make it possible for us to ride at ease and so swiftly. Of American railroad trainmen in 1901 one in every hundred and thirty-seven was killed, and one in every eleven was injured. To comprehend the hideous significance of these figures is almost impossible. The truth is that railroad employment in the United States is more perilous than the average soldier's life in war time; and far more cruel. Of every ten trainmen at work to-day one will be killed or maimed within a year. No figures are available, but from observation and general report I am convinced that the gravity yards fatalities are so much worse that one may say one person in every five employed therein is killed or injured every year. We have many other fatal appendages upon our railroad management—the "permissive block," the overworked employee, the boy operator, the trust-made defective rail, the "facing-switch," the rotten tie, and others, but none of these equals the gravity yards for persistent slaughter. Nobody ever hears of these victims; they are not printed in the newspapers, their names are not mentioned in the annual report. Yet every gravity yard is, in the course of a year, a place of dreadful death and disaster to which the railroad operations of all the rest of the world can furnish no parallel.

Another undesirable peculiarity of the American rail-

road system, and responsible for much of the great death record, was pointed out in 1904 by Hoff and Schwaback, German railroad experts, though I think very little attention has ever been paid to the matter here. It appears that, compared with European countries, our rails are inadequately watched. Thus Hoff and Schwaback declared:

> The saving in expenses which the American railroads effect through diminished watching of the rails is extraordinary. In the United States only 49,961 persons are engaged in watching the lines and guarding crossings. If the United States had proportionately the same number as are thus employed in the Prussian system the figures would be 636,000, an increase of 586,000, which is greater by 356,174 than the total number of employees in the Prussian system.

Then one need not wonder that, proportionately, the death lists among our railroad men lead the entire world. Here are some comparative figures from the records * in the office of the Inter-State Commerce Commission:

THE SLAUGHTER OF RAILROAD EMPLOYEES

In Great Britain

Year	Employees killed	Employees injured	Proportion killed	Proportion injured
1895.....	489	7,480	1 in 951	1 in 62
1896.....	490	14,110	1 in 949	1 in 32
1897.....	566	14,402	1 in 821	1 in 32
1898.....	542	12,979	1 in 985	1 in 41
1899.....	584	15,582	1 in 914	1 in 34
1900.....	631	15,698	1 in 946	1 in 34
1901.....	565	14,740	1 in 1019	1 in 39
1902.....	485	13,858	1 in 1187	1 in 41
1903.....	497	14,356	1 in 1158	1 in 40
1904.....	448	14,561	1 in 1298	1 in 39
1905.....	437	14,335	1 in 1331	1 in 39
1906.....	483	16,256	1 in 1204	1 in 35
1907.....	479	21,514	1 in 1297	1 in 28
1908.....	332	24,181	1 in 1871	1 in 25

* Compiled by Mr. Leroy S. Boyd, the librarian. Mr. Boyd's tables on this subject are not only the best in the world, but the only tables that give complete and trustworthy data.

In the United States

Year	Employees killed	Employees injured	Proportion killed	Proportion injured
1895.....	1,811	25,696	1 in 433	1 in 31
1896.....	1,861	29,969	1 in 444	1 in 28
1897.....	1,693	27,667	1 in 486	1 in 30
1898.....	1,958	31,761	1 in 447	1 in 28
1899.....	2,210	34,923	1 in 420	1 in 27
1900.....	2,550	39,643	1 in 339	1 in 26
1901.....	2,675	41,142	1 in 400	1 in 26
1902.....	2,969	50,524	1 in 401	1 in 24
1903.....	3,606	60,481	1 in 364	1 in 22
1904.....	3,632	67,067	1 in 357	1 in 19
1905.....	3,361	66,833	1 in 411	1 in 20
1906.....	3,929	76,701	1 in 387	1 in 19
1907.....	4,534	87,644	1 in 368	1 in 19
1908.....	3,470	83,367	1 in 420	1 in 17

Therefore, while in Great Britain the life of the railroad worker seems to become safer, in the United States it steadily becomes more perilous.

These 80,000 soldiers of our industrial army thus stricken every year—what becomes of them? Invariably they are poor men, very poor; for the most part they are now not only very poor, but incapacitated for earning their living. What becomes of them and what care do we take of the men that fall thus in our behalf?

Practically we take no care of them. Some of the railroads maintain sick benefit or accident funds, from which a measure of relief may be obtained. In order to secure this relief the employee must contribute from his wages a monthly sum fixed by the company. Should he change his employment he commonly loses what he has paid. The control of the fund is solely in the hands of the officers of the company; they decide how much shall be paid in the event of an accident. As a rule, the extent of the employee's participation in the control of the fund is his enforced monthly payments. He gets what certain

officers of the company are pleased to allot him from his own and others' accumulated savings, and so long as these officers are pleased to let him have it. How these savings of his are invested, whether they are well or ill managed, whether he and his fellows reap from the fund as much benefit as might otherwise be secured for them, he does not know. All he knows is that month by month something is taken from his wages, and if he lose a leg or an arm, something is paid to him until the stump heals up. Whereupon he shifts for himself.

On railroads where there are no accident funds he shifts for himself from the start.

This is a plain statement of practical conditions. Of course, nominally things are very different. Nominally the law provides remedies and compensations for those that suffer in accidents. Nominally the railroad employee that loses a leg or an arm can bring his case before a jury, and, on proving his injury, receive a judgment that the company, his employer, must pay to him.

But in practice this is not so. One of the conditions of the accident relief fund, as it exists on our railroads, is that, before an injured person can partake of its benefits, he must release the employing company from all legal responsibility for his injury. Hence, he is offered the choice between immediate though inadequate assistance and a long, costly, and doubtful contest in the courts, pending which he shall be without funds. This, of course, is no choice at all; it is coercion, with pistol at your head.

How barren, how long, costly, and doubtful the legal fight would probably be can be estimated by anyone that will take the trouble to reflect upon our methods of litigation. In many of the States any action for accident damages is enormously complicated with the "contributory

negligence" and "fellow workmen" phases of the statutes. An injured man cannot recover if it can be shown that he did not take all necessary precautions for his own safety, and he cannot recover if it can be shown that his doing of a hazardous thing was on the instruction or instance of another employee. These barriers narrowly wall in the actions that the injured may bring, because there are not many accidents in which one or the other condition cannot be shown. Then the cause is always liable to the widespread and subtle power of the corporation, to the attacks of clever lawyers, to the idiosyncrasies of juries and the peculiar charges of corporation-made judges; and, above all, it is subject to the abominable delay that makes our court proceedings so pathetically absurd. In most parts of this country an injured man must wait from six months to two years from the instituting of his suit to its first trial, with the comfortable knowledge that if he wins the case will be appealed, and that from two to five more years will be consumed in waiting for the decision of the appeals. Whereupon the whole case may be ordered to a retrial in the first court after a lapse of time in which memories have grown dim and witnesses moved away or died. When a prominent lawyer of Chicago declared not long ago that, under the court methods of Illinois, he would guarantee to keep any man for fourteen years out of his rights, no matter how clear his case and just his cause, he did not overstate the existing conditions.

In Germany, the care of the injured and of the sick among all men that labor is not left to chance nor caprice nor good luck, but is carefully and minutely provided for by the Government. For all men that incur injury at their vocations there must be adequate compensation—and support. That is the fundamental doctrine. It has been

worked out into Accident Relief, Sick Relief, Invalid Pensions, and Old Age Pensions, all under the care of the Imperial Government, which maintains a vast department to direct these enterprises, and annually expends through them hundreds of millions of dollars. I should like to describe all the operations of this department, because it is a great and memorable object lesson in practical beneficence; but what comes home most sharply to us (in view of the American accident figures) is the part that relates to the care of injured workmen on the German railroads.

Out West I once knew a freight conductor that was a sober, decent man of family; one night the engineer of his train misunderstood the dispatcher's orders and plunged into a head-on collision. The conductor was caught between two cars and lost an arm and a leg. When he got well there was next to nothing he could do in his crippled state, and the railroad company was esteemed gracious and kind when it allowed him to be a crossing flagman at $30 a month. I don't know what perverted views we had then about responsibility, but we all thought it was good of the company, and the man thought so, too, and refused the kind offers of various attorneys to bring suit. After some years the company was compelled (very tardily) to elevate its track at this particular place, and had no more use for the flagman there. So the flagman made his way to the river, preferring that to the poorhouse.

Every man that has intimately observed railroad matters knows of such cases; indeed, once in this country we scarcely knew of anything else. Yet it is not really necessary to conduct a railroad as a shambles, nor to regard injured railroad men with less concern than we have for injured cattle. It is quite possible to be decent and still

maintain an efficient transportation system. In Germany, for instance, the maimed railroad employee is invariably held to be the patient and care of the public; he has been injured in the service of the community, and the state, which operates the railroads for the community's benefit, proceeds at once to the relief of the fallen public servant. And for many reasons that seems to be wise policy.

All the processes in this relief are wonderfully direct, simple, and speedy. No court proceedings are ever necessary, no summons and complaint, no lawyers, no trials, no juries, no witnesses. Contributory negligence has nothing to do with the matter; neither have fellow servant clauses. The accident is certified by the local railroad authorities and the physician of the railroad department. Then from a fund provided by the State for the purpose, and accessible without courts and without delays, the Government's great insurance department begins to pay an indemnity that is continued so long as the injury lasts, no matter how long that may be, and calculated on the fixed basis of a percentage of the man's wages. Here is a table used in calculating these indemnities:

PERCENTAGES OF WAGES PAID BY THE GERMAN GOVERNMENT FOR INJURY IN THE RAILROAD SERVICE

	Eyes	Arms	Hands	Thumb	Index Finger	Middle Finger
Right	33⅓	66⅔-80	60-80	20-33	15-33⅓	10-15
Left	33⅓	60-70	50-66⅔	10-15	10-12	8-10
Both	100	100	100			

	Ring Finger	Little Finger	Four Fingers	Legs	Lower Leg	Great Toe
Right	10-12	6-10	50-20	55-75	50-66⅔	6-10
Left	8-10	6-10	40-50	55-75	50-66⅔	6-10
Both				90-100	80-90	

Similar bases exist for internal and other injuries.

These indemnities are paid for life by the Government voluntarily, and without other action by the injured man than the filing of an application.

As I have said, the physicians attached to the railroad service certify, after an examination, to the extent of the injury. Some of the "remarks" on the official circular to these physicians are interesting. Thus:

1. *Arms.*—In case of injury to the arms you must consider whether the arms can be raised to a horizontal position, or beyond.
2. *Hands.*—In the case of a left-handed person, the percentages must be reversed.
3. *Fingers.*—You must note especially whether finger stumps can be used in whole or in part; whether patient can grasp anything. Any exceeding stiffness is also to be noted. As, for instance, can the patient lift tools?
4. In case there has been a former injury, has the present accident increased it? Has there been any illness or breakdown?

These are mere specimens of the minute inquiries the physician must answer. But once answered and the answer filed, there is an end of the matter. The indemnity is paid until the man dies.

All this is subsequent to the first relief. From the scene of the accident the Government removes the man to the hospital, provides him with medical attendance, nurses, and medicines until he is discharged; and meanwhile applies his indemnity to his family.

In the case of a fatal accident to a railroad employee a pension is paid to his widow and his minor children, and should the widow remarry she receives a lump sum in quittance of further claims. But the children continue to be pensioned until they become of age.

Sickness not resulting from accidents is relieved among the railroad men by the operation of the Workingmen's Sick Fund, which is contributed by the employed, the employers, and the Government. Old Age Pensions are provided by compulsory insurance of all persons in receipt of less than $500 a year income.

The railroad men are only a small part of the vast army of German workingmen and women, numbering close to 20,000,000 persons, that are by their Government provided with insurance against misfortune and old age, in all the world the most conspicuous and extensive scheme of government insurance. The annual receipts of the Workingmen's Sick Benefit Fund amount to more than $50,000,000, of the Accident Insurance Fund to more than $40,000,000, of the Invalidity Insurance to more than $50,000,000. It is the conviction of all the German writers upon these subjects that the existence of these funds has not only furthered the national strength, vigor, and happiness, but has tended to diminish accidents and to increase the safety of the public.

When Emperor William I., on May 17th, 1881, sent a message to the German Reichstag requesting a national system of indemnity and insurance, he said:

We consider it our imperial duty to impress upon the Reichstag the necessity of furthering the welfare of the working people. We should review with increased satisfaction the manifold successes with which the Lord has blessed our reign could we carry with us to the grave the consciousness of having given our country an additional and lasting assurance of internal peace, and the conviction that we have rendered the needy that assistance to which they are justly entitled. Our efforts in this direction are certain of the approval of all the federate governments, and we confidently rely on the support of the Reichstag without distinction of

parties. In order to realize these views a bill for the insurance of workingmen against industrial accidents will, first of all, be laid before you, after which a supplementary measure will be submitted providing for a general organization of industrial sick relief insurance. But likewise those that are disabled in consequence of old age or invalidity possess a well-founded claim to a more ample relief on the part of the State than they have hitherto enjoyed. To devise the fittest ways and means for making such provision, however difficult, is one of the highest obligations of every community, based on the moral foundations of Christianity. A more intimate connection with the actual capabilities of the people, and a mode of turning these to account in corporate associations, under the patronage and with the aid of the State, will, we trust, develop a scheme to solve problems for which the State alone would prove unequal.

Good words! And the Emperor is commonly referred to as the father of the gigantic Government insurance organization that has revolutionized life among the wage-earners of Germany and contributed much to the sum of happiness there. But, of course, the real author of the scheme was not the Emperor. It was suggested by the sagacious and adroit Bismarck, and its origin, source, and impetus alike came from the first manifestation of the German Socialist movement.

The Socialists appealed to the workingmen with the plain and unquestionable statement that whereas the workingmen created all the wealth they received but a trifling share of the wealth they created, and it was because of this unjust division of the products of their industry that they had toil and hardship in the days of their strength, and penury in their old age. To this argument there is obviously no answer except that the condition it states is inseparable from the present organization of society, and to change it would require a rearrangement of the whole

industrial system. To make these changes men are everywhere loath; they have always endured, they come slowly to the notion that they need not endure. Yet the case is so simple that in Germany men were showing a disposition to weary of endurance, naturally most disturbing to a ruler whose rule is founded solely on surviving feudalism. Bismarck, therefore, undertook to quiet the growing unrest, head off the inquiring spirit, and preserve the system by providing pensions for the aged and indemnity for injured workmen. In which, of course, he was undoubtedly most wise.

Since then his example has been followed by other governments that for similar reasons have interested themselves in alleviating the condition of its wealth producers. But what struck me into amazement, when I came to look into the subject, was that no such movement was discernible in the United States, and that the average labor laws in the United States were the crudest, the most archaic, and the least effective to be found in the civilized world. I found that in most industries the workers were in the same situation as the railroad employees. They were unprotected while they worked, and unable to recover indemnity when they were injured. Most of the perils to which they were exposed were to be obviated readily enough by the proper devices: just as it was not necessary to distribute freight cars with a gravity yard, it was not necessary to expose woodworkers to unprotected saws and all kinds of workingmen and workingwomen to the perils of unprotected bands, wheels, elevators, drills, and presses from which they were everywhere in danger. I found that the reason for our bad eminence in these respects was merely that here we had carried a trifle farther than other countries the theory of Individualism, and the spirit of

competition, which is also the spirit of cruelty and avarice. The maimed victim of the gravity yard and the sorry wrecks in a county poorhouse were alike living monuments to one system that hardens men's hearts and ruins their lives.

CHAPTER V

THE SUICIDE SLIP FROM RIVINGTON STREET

In New York City all unusual occurrences reported at the precinct station-houses are telegraphed thence to Police Headquarters in Mulberry Street. If they are not robberies, burglaries, or the like, very curt statements of the events are written by the operators and hung in a glass frame in the basement of the headquarters' building. These "slips" are for the information of the newspaper reporters, whose offices are across the street.

One Sunday in 1886, when I was a reporter assigned to duty at Police Headquarters, there came in a "slip" announcing the suicide of some man with a very foreign name "in the rear of No. — Rivington Street." In those days, when police news received much more attention than it receives now, each reporter was provided with a copy boy, and as every copy boy was in active training to be a reporter, it was customary to allow the copy boy to investigate the trivial slips and for the reporter to reserve himself for important stories. It may be regarded as some sign of the times that the suicides of persons with foreign names residing in the tenement house regions of the East Side were classed as trivial and left to the copy boys. In this instance both the name and the locality (a rear tenement in one of the worst streets of the East Side) indicated a commonplace story not worth recording. But the day had been very dull, I had idled for hours over

the vacuous Sunday papers, there was a chance to drag out a story from almost any event, and after being for a time in two minds, I stretched out on the assignment myself.

It was a beautiful day in the early fall, a Sunday hush even on the Bowery, the air sweet and full of mild sunshine, the sky very blue, and all things in nature handsome; so that it seemed to me the hideous buildings lining the streets were by contrast more obtrusively hideous than ever. I had walked through the Park early that morning, and possibly after the cool greenery these piled-up horrors struck home too sharply. At any rate, I remember forming the conclusion that only gray skies and lowering weather were appropriate for such gloomy regions, for the sunshine did but bring out stains of dust and rust and make the filth and neglect the more prominent, until all the works of man seemed to be shaking fists in the face of Heaven. Rows of repulsive houses were accoutered with fire escapes, and each fire escape bore disorderly bundles of bedding that the housewives had thrust out to lie in the sunlight. The sidewalks were thickly littered, as they always are in that part of the city; every conceivable sort of dirt that could offend the eye or the nostril was scattered about; the roadway was (as usual) a conglomerate of filth. Even in those days the East Side was one of the most unsightly spots on earth; and the swarms of children in the street, to whose childhood such environments were the only background, seemed likely to start unpleasant musings in any mind that cared to consider the generations to come.

I came to the number in Rivington Street mentioned by the slip, and went through a kind of tunnel to the dark little court behind (surrounded with sanitation sheds

and reeking with foul air), upon which the rear tenement opened. The aspect of everything was forlorn and miserable; I remember that even I, by this time fairly well accustomed to East Side squalor, was depressed with what I saw. Dirty water from washtubs or sinks had been poured on the stones of that court, and in this water slopped and played a horde of ragged children; for this and similar places were their only playground. The doors of some of the sanitation sheds gaped indecently open; one was puzzled to think how human beings could endure the gases that flowed out. In the rear tenement the doorway was crusted with dirt, the floor of the hall was so rotten it threatened to give way under the little knot of people that had been drawn thither by the tragedy in the house, common enough on the slips, but, it seemed, always of a fascinating horror to the people about. Among these stood a policeman to keep order. I went upstairs. The dead man and his family had occupied one stinking room in the back or darkest part of that stinking house. His body now lay on the floor; the policeman on the beat had cut him down, hanging there from that hook. In a corner was the hysterical widow, and by her side, a hand on her shoulder, speaking to her in a soothing, fatherly way, was one of the most remarkable old men I had ever seen. In after years, when I came to see Israel's "Jewish Peddler," I recognized something of the racial traits that now attracted my close attention, only this man was much finer than Israel's study. He was picturesque and patriarchal; he had a long, full gray beard, a fine melodious voice, and from his gentle brown eyes looked intelligence and character as well as sympathy. He was talking in German to the woman, and I caught the phrase many times repeated, "God is good."

The Suicide Slip from Rivington Street

But about the suicide. He was forty years old, or thereabouts, one Lohwasser, a commonplace looking man, his hands hardened and his face twisted with toil. At noon he had sent everybody out of the room, except, of course, the baby there, that lay on the floor staring at the ceiling. Then he had hanged himself with this bit of rope to that hook you see there. They found him so when they came back, the wife there and the children. What was his trade? Tailor. Out of work? Of course, naturally. Does one hang oneself if one has work? How long? Six months —no, four. He had had piecework from Johannsen's, but it had not lasted. The neighbors had wondered how they lived: only Tilly to earn anything, and she had been in a skirt shop and had lost her job. There were four children, including the baby; everybody wondered what they would do now, as if even a workless man were still a bulwark against misfortune.

All this was no story for me, of course; nobody wanted to read about a poor devil of a tailor that had killed himself because in the whole great city he could not find work to do; besides, it was too common, like the tenement house fires and the children that were run over in the streets. But the man that had the next stinking room took me aside and said I hadn't heard all; there was something more, and he was the only one that knew it, because he lived in the next stinking room and through the thin partitions he could hear what the Lohwassers were saying, and it was all about Tilly. Tilly had gone—well, of course, I knew how the girls went. The truth was, Tilly, as one might say—well, Tilly wasn't a good girl any more. She was on the streets—that was the truth of the matter. She had gone to the bad. And Sam there had threatened to kill her, and finally she had gone away and said she

would never come back. And then Sam there had done this thing. One knew something was going to happen, but what could one do? After all, he needn't have taken on so. Lots of girls took to the streets.

That was all, and it was not really very much. I might almost as well have let the copy boy come. But there was the old man still, and he certainly was a fascinating study. I made a point of talking with him, and was delighted to find that to my advances he responded with a fine old-world courtesy. He had invited the afflicted Lohwassers into his own apartments for supper, and likewise for shelter against the curious, and he asked me to step in with them. He and the family he headed lived in two little rooms at the top of the house. There was his son's wife and the grandchildren—Julius, who was a cripple, and five girls. Julius was ten years old. He sold newspapers, and had fallen under the wheels in jumping from a street car, and so he had lost a leg. But he got around very well on a crutch and could still sell newspapers, and they thanked God for His goodness; Julius might have been killed. The two rooms were painfully bare, and the refreshment offered to the afflicted Lohwassers and to me was but sorry; yet the place was clean, and the children were washed and had whole if much mended attire. It appeared that this fine old patriarch, whose face looked like the head of a prophet painted by Guido Reni, was likewise a tailor, and likewise was sometimes out of work. Just now he had a job, God be thanked, in an Allen Street sweatshop. Bertha, here, the oldest girl (strikingly pretty, as is often the case with her kind), worked in a department store and made $4 a week, and Julius sometimes made twenty cents in a day from his papers. It was hard for him to get about with his crutch,

but he did well and he was a good boy, and with tears in his eyes old Mr. Rubenstein, the patriarch, thanked God for his grandchildren. I knew some places in Europe that he knew; his youth in a Bavarian village was a dear recollection to him, and I suppose that he took a fancy to me because I could talk with him about a scene that must have been the theater of most of his thoughts. At least he dealt with me almost at once in a spirit of simple and engaging candor. His life, it appeared, had been full of vicissitude. The death of his parents had driven him penniless into the world when he was little more than a boy, and he had wandered much, with experiences that might have hardened one of coarser fiber, but in his case served only to broaden and to soften. He had been no favorite of fortune, and it was not until some years had passed that he felt able to go back to his village and marry the little girl with whom he used to play and to whom he had been faithful in his wanderings. And then she had died in giving birth to their son. The son grew up a fine young man; but he too had died leaving an invalid wife and these children, the best children in the world, he thanked God—who was always good.

I used to see Julius sometimes in the street on my way to or from some East Side station-house—Union Market may be, or Delancey Street. He was usually of an afternoon stumping along the south side of Rivington, between Eldridge and Allen, his papers under his arm. If I had the time I stopped for a word with him, for his cheerfulness in his misfortune and some look of his grandfather in his eyes were attractive to me. He told me that Tilly Lohwasser had heard about her father's death and had come in very white to see the body, and her mother had upbraided her until she ran from the house, and everyone

in the block knew her story, and that she had gone to live in a notorious resort in Second Avenue. His grandfather was out of work again; the sweatshop had failed, or as Julius expressed it, "gone bust." I did not know that sweatshops ever failed, and was interested in the news. But he said that Bertha was still at work, and all were well at home. His grandfather was out every day looking for work; there wasn't much doing in the tailoring way; but he had peddled iron pots and skillets for a man in Pitt Street and made a few dimes that way, and a man that had two push-carts, a rich man that lived in the front tenement, had promised to let his grandfather circulate one of them for two-thirds of the profits, so they had good hopes.

The next time I saw him he said that the rich man had sold the push-cart, so his grandfather had been disappointed of that line of business, but he was peddling iron pots and skillets again. Julius could not help thinking it strange, but almost nobody seemed to want any iron pots or skillets. His grandfather used to tramp from Rivington Street to Harlem, and some days sell only one iron pot, and it was a heavy load for a man of his years to carry on his back. Once, Julius said, the old man had fainted in the street; he guessed because he was hungry as well as tired. Julius wanted to know if I would stop in some time for a moment and see the old man; he did so like to talk to one that knew Waiden. About the Lohwassers, he said the Charity Society was helping them, and the neighbors did what they could, but it was hard. He said he had heard that Tilly had sent money to her mother, and her mother had refused to take it.

On a certain vacation day about that time, having nothing to do, and cherishing a favorite but usually futile design of

finding copy for a "special Sunday story," I was sitting idly in Tompkins Square, where, according to old tradition, the grass will never grow, when it occurred to me that it might be decent to drop in upon the Rubensteins. The old court was as reeking as it had been on the day of the suicide, the hallways as filthy, the children were as neglected, but the two rooms of the Rubensteins were scrubbed and in order. The old man was still out of work, but it appeared that good fortune had befallen them otherwise, and the patriarch thanked God for it. There was Bertha—six months before she had lost her place in the department store and for a time all looked dark; not a cent came in to pay the rent and buy food but only what Julius made from his papers and what the old man got from peddling iron pots and skillets. But God was good, and now Bertha had a place in an all-night restaurant, and sometimes the tips the customers gave her amounted in one night to several dollars; and now all the family was happy. If the patriarch could get a place in a sweatshop, they would move into better rooms; perhaps they might even live in a front tenement. It was all due to Bertha, she was such a good girl. I looked at Bertha, and she seemed but ill at ease under this praise. Where was the all-night restaurant? Up town, they said: a long distance up town, that was the worst of it; Forty-second Street. But Bertha didn't mind, she was such a good girl, and all was well at last.

There pertained to this scene an uneasy suggestion that Bertha was too good-looking to be working in an all-night restaurant, and the name thereof had also no reassuring sound in a reporter's ears. Nevertheless, I concluded that all must be well since the patriarch had said so, and went my way. Not long afterward I was transferred from

Police Headquarters to the Court of General Sessions, and for many months I did not see Julius nor hear of him. But one night, coming from a Broadway theater, I was startled to observe among the women skulking in a side street a face that seemed familiar. I stopped to look more closely, and it was Bertha. For some reason not clear to me I seemed to be prepared for the discovery, and this explanation of the all-night restaurant seemed to be exactly what I had looked for. But I was not so well prepared for the next chapter in the story. About six months later I found one day in my box at the office a postal card from Julius with this scrawled upon it in pencil:

Dear Mr. Russell:
Grandfather died last night. Can you come to see us?
JULIUS RUBENSTEIN.

I went up to Rivington Street that night. As I was coming away Julius stumped with me out upon the landing.

"Isn't Bertha here?" I said, for I had noted her absence. He shook his head, and looked down at the point of his crutch. "She hasn't been home for weeks."

"Did the old man know?" I asked.

He nodded. "It did for him," he said. We shook hands and he stumped back to the rooms. That was almost the end of the story so far as I knew about it. Julius came out all right, got him a little corner news-stand, and did well. I do not know more about Bertha, except that she died many years ago. Julius took care of the other girls; one married a bookmaker, and one an East Side jeweler.

The whole story lay for years in the disused attic wherein we stow, like old clothes, the experiences that no longer are the apparel of the day's life, when about a year ago

it was sharply recalled to my mental vision. I was sitting one night in a vile, notorious resort just off Broadway in the Forties. The introduction requires some explaining, for perhaps without impropriety I may be allowed to say that neither the place nor its environment are of my habit, nor yet of my ordinary interest. I had been taken thither by my friend, Lieutenant O'Darrell, of the Central Office detectives, who desired to show me the modern aspects of a form of metropolitan life from which I had long been estranged, and had also a professional reason for his presence. He was on mission bent to catch two burglars, and this place was at times their favorite haunt.

There was a long room on the ground floor, staringly lighted, papered in fiendish reds, and with small tables at the sides. In the middle was raised a platform, with a piano and some fiddlers. From time to time some woman with a cracked voice and a low-necked dress would take her place on this platform and sing sentimental songs that no one seemed to hear. On the floor above was a room that almost duplicated the room on the first floor. At the tables in the two rooms sat, I suppose, as many as three hundred prostitutes, ostensibly to eat and drink; actually for commercial purposes. All stages of degradation were represented in that fearful gathering, and all the horrors of hell. A man need not be a puritan nor of any nice scruples about the recognized facts of life to be struck here into dumb disgust of the whole business. Three hundred women pitching down the brink of perdition before one's eyes is a little too much. After a few minutes I was for fresh air and a better scene, when, in glancing about the room my eyes fell upon a face that looked exactly like my recollection of Bertha's, and at once the whole story of the Rubensteins poured out of

the closet where it had lain, dust-covered, these many years. A sudden thought struck me.

"Lieutenant," I said, "where do all these women come from? What were they before they started for hell?"

"'Started for hell' is a good phrase," said the Lieutenant, philosophically. "It reminds me of something I will tell you later. Where do all these women come from? Department stores, shops, cloak shops, artificial flower shops, workrooms of different sorts. Nearly all of them have been at work somewhere, lost their jobs, or got tired of standing on their feet all day, and drifted into this. There are some exceptions. That woman over there with the younger woman opposite her is a professional. That's her daughter. She trained her daughter to her way of life. Deliberately chose it. Her son's a pickpocket now doing time at Sing Sing. I pinched him on Broadway here. But her case is unusual. Most girls are driven into it. It's this or starve."

"Did you ever know any of them to reform?" I asked. "Don't they ever get sick of it and try to turn back?"

"That was what I was going to tell you; you said 'started for hell,' and it's a phrase that has a peculiar meaning to me. One night in such a place as this I saw a girl that came from my native town. I used to know her people. Well, you know, it went over me what was ahead for her. I took her aside and gave her a straight talk. She told me her story: I don't know as you could blame her if you knew. I gave her money enough and sent her home. It seems the people in that town wouldn't let her be decent. About six months later I was in a fierce joint in the Bowery looking for a member of the Monk Eastman gang, and in the back room there she was. 'Here,' I said, 'what are you doing here? I thought

you promised me to reform?' The old bartender crooked his neck over the bar and said: 'Reform? Well, when I was young I used to think I could reform some of them myself, but now when I see a woman started for hell I just tell her to get a through ticket.' It sounds rough, but that's about what life is. Once down, always down."

O'Darrell told me that in the region bounded by Twenty-third and Sixty-sixth Streets, the North River, Sixth Avenue, and Broadway dwelt 15,000 prostitutes. I asked him how many there were in the whole city, and he said he could give but a guess, but from the numbers in the regions familiar to him he thought there must be 25,000. A police commander in Chicago once told me that there were 20,000 in his city, and 10,000 have been reported in Philadelphia. The average life of these unfortunates is said to be four years from the time when they "start for hell." If there are 20,000 in Chicago, there must be 5,000 every year that enter upon this road. If 5,000 women were shot in Chicago we should cry out in horror, and yet that would be really a less shocking thing.

This is not a pleasant subject. I do not know any phase of the existing system that is pleasant. But if we are to examine this system fairly and adequately we cannot omit this part of it. I am quite well aware that there are other causes for prostitution than the one great economic cause; likewise, I know that we should not at once abolish all prostitution if we could abolish the economic cause. But the economic cause is greater than all other causes together, far greater. I think it a fair statement, and I have for it the indorsement of many observers, that 85 per cent. of the women that "start for hell" make that start because of necessity. "It's either that or starve," as O'Darrell said. In New York they are department store

employees, shop girls, and hand-workers that have lost their employment; in cities like Newark, Pittsburg, Lowell, they are former factory hands. In cases where they are not workers deprived of their work, they are women to whom no avenue of employment was open, or women unable by their work to earn enough to support those dependent upon them.

I have heard in discussions of this subject some very unfair criticisms of the men that own or manage department stores and shops. It has been said of them that if they were to pay a living wage to the girls in their employ they would prevent an immense amount of evil. "How," it is customary to ask, "can a girl live on $5 a week?" Good question. Even if she lived at home, such wages are merely a temptation to the downward path. Of her $5 she must pay at least 60 cents a week for her carfare, and since the transfers were abolished in New York, she must pay more. Then her luncheons cost her at least $1.50 a week. That means that of her $5 she has left $2.90 at the end of the week, providing she has not been fined. The store demands that she be neatly dressed, and to dress neatly and in accordance with the rules will cost her nearly $2.90 a week. The substance of her employment then is that she gives her time, works very hard, is all day upon her feet, endures the exactions of captious customers on one hand, and of the floor-walker on the other, all practically for nothing. She sees coming into the store well-dressed women that do no work. She sees that they are treated with great respect because they have money to spend. She goes home at night probably to some repulsive tenement where everything she sees and hears tends to break down her moral sense. Under all these conditions the great wonder is that the majority of the

young women keep good; that they do so is a remarkable tribute to the innate goodness of women.

All this is perfectly true except the blame for the owner of the store, and that is merely an example of the evil haste with which we post to hold individuals responsible for conditions. By no possibility can the proprietor of the department store or shop pursue any other course than that for which he is thoughtlessly criticised. He is in the position in which we found the manufacturers in the previous chapter; he does what he does because he cannot possibly do anything else. It is said of him with scorn that he pays only $4 a week or $5 or $6 to the girls that work for him, and that because he pays them no more he is in some way (not made clear) responsible for their moral decline. But how can he pay more? He is competing with many other stores; if he bear well his part in that competition he retains his store and will retain business; if he lag behind he will lose his trade and his store and be branded a bankrupt and a failure. Competition forces upon him a narrow consideration of every item of expense, for that is the price of his business salvation. His competitors obtain girls to work for them at $4, $5, or $6 a week. They have no difficulty in doing this because for every vacant position there are hundreds of applicants, and the girls are really glad to get work at any price. Therefore, the man that we are considering can, and indeed he must, get girls to work for him at $4, $5, or $6 a week, and he must not pay more. If he pay more he will soon cease to have any store to keep. Some other man will then fill his place that will yield to the necessities of the situation and pay the current rates. For any one man to be quixotic and pay what is called a living wage would do no possible good to anyone and work only ruin to himself.

Under the existing system no shopkeeper can justly incur the slightest reproach for paying to his employees the market price for their labor and no more. But what is to be blamed is the existing system. So long as we have it we shall have with all its other hideous features this driving of women to their moral death, and all the rescue work, missions, social purity movements, girls' friendly societies, sermons, lectures, tracts, pamphlets, personal efforts, and all other uplift influences together, excellent and admirable as they are in purpose, will never affect this situation. You cannot change a vast, underlying economic condition by preaching at it. One may very well believe that all the profits made everywhere in a year are not worth the price of one woman's soul, and that one ruined life is enough to condemn any business. That does not change the basic facts. Lost women's souls and ruined lives are the product of this system; you cannot have the system without the product; if you approve of the system, I offer you the products and ask you to approve of these also.

CHAPTER VI

A BOY'S OPPORTUNITY

In 1891 the *New York Herald* sent me through the South to investigate the industrial revival then beginning there. Until that time the South Atlantic States had grown much cotton and shipped it to the North or to Europe to be manufactured. The waste involved was obvious, and in accordance with the irresistible law of evolution could not long be continued. Mills for the spinning of cotton were beginning to spring up close to the fields where the cotton was grown, and a new industrial era opened for a region long blighted by slavery and finally prostrated by war. Like most Northerners of Abolitionist antecedents, I had a strong sentimental interest in the South, where I had traveled much; I conceived that the abolition of the hideous curse of slavery would not be complete without the upbuilding of the industrial South by free labor to what might be called a normal level; and the signs of industrial awakening struck me as extremely admirable. I went through Virginia, North Carolina, South Carolina, and Georgia, and saw with delight in many towns the signs of progress. Great cotton mills in these towns had taken the place of ramshackle sheds or old presses; the hammers were still ringing on the houses for the operatives; the old lethargy was falling from the inhabitants, unwontedly stirred by so much liveliness. All this presaged prosperity and general happiness. Opportunity was knock-

ing at the doors of the South; soon we should have a new South as busy and populous as the North, and all made with free labor.

A year later I was detailed to Fall River, Mass., where I passed a month in trying to solve one of the most famous and baffling of murder mysteries. Fall River is a great cotton mill town, the greatest (in point of product) in the United States, one of the greatest in the world, for it has nearly three and a half million spindles. In one way or another its 80,000 inhabitants live on cotton spinning; the clatter of the score of great mills resounds all day; and bales and samples of cotton litter the streets. It was my first good opportunity to observe deliberately the inside of a mill town, and when the murder trails had been drawn into a court proceeding, and one frequently interrupted, I varied the monotony with some practical sociology.

I am obliged to say that the results seemed wholly at variance with my previous ideas as to the grandeur and glory of industrial development. Here modern industrialism, embryonic in the South, was in a state of perfection; here one could see exactly what fruits it brought forth. I went among the operatives' dwellings and was disquieted when I observed that these people, whose industry was supposed to be such a blessing to the nation, to the community, and to themselves, lived for the most part in squalid quarters and in a condition of poverty and destitution pitiable to see. A great many were housed in old wooden tenements, dark, frowsy, ill-smelling, and obviously of a defective sanitation. I was inured to low tenement house conditions in the teeming East Side of New York; but these, I had supposed to be the sole possession of a great city, and in some mysterious way a product of its great-

ness: but here were conditions at least as bad, and sometimes, I thought, still worse.

Indeed, as soon as one turned from the fair main streets of Fall River and from the homes of its wealthy inhabitants to the streets where the workingmen lived, a kind of blackness seemed to descend upon one. The physical discomfort was everywhere too apparent; very often it was not merely discomfort, but extreme distress. A native led me into one house inhabited by a friend of his. We went up a flight of tottering stairs in an old shambling ruin, and, the day being Sunday, found the man at home. He was employed in the mills, and here in two little rooms he dwelt with a family of six. The rooms were dark and ill-ventilated; the family looked sickly. The elder children worked in the mills. The father got $7 a week; the children from $1 to $2.50 each. None of them had any education to speak of; they had been taken from the lower intermediate grades "to work in the mills." The father had consumption; I was told that the air in the mills was not good for him; and after a casual visit there I was of the opinion that it was not good for him nor for anybody else. The air in his squalid home was not better, so far as I could discover: the man was merely being poisoned day and night, so that his doom was plainly stamped upon him. His children were started toward the same end: the mills doing the work by day, and by night the air exhaled from a consumptive's lungs and breathed by children underfed, overworked, and of a deficient vitality. I had been sent to Fall River to investigate a murder. It suddenly struck me as strange that nobody ever seemed to investigate this other kind of murder going slowly on before me. The murder I had been sent to investigate had been done with a hatchet; death had been

instantaneous. It suddenly occurred to me that of the two methods slaughter with the hatchet was the more merciful. Many persons wished to hang the perpetrator of the murder with the hatchet. How did it happen that no one wanted to arrest or prosecute the perpetrators of the murders here in these tenements?

One of the members of this family of victims was a boy thirteen or fourteen years old, I should say, and I doubt if anyone could look at him without grave misgivings concerning the optimistic philosophy and the glories of things as they are. According to the doctrine that we assiduously repeat and infallibly believe, this boy, a child of the land of free opportunity, could make of his life anything he pleased. He could be President; every American boy has that dazzling possibility before him. He could win his way to great fortune: any American boy could become rich; thousands upon thousands of boys, as poor as he, had in this glorious country of free opportunity become fabulously rich; riches were within the reach of all. And there this boy stood, and if one were to try to say these things to him one's words would be struck to silence upon one's lips. No human being could have the assurance to preach opportunity to this boy; there he stood, the mark of the mills already on his face, prematurely old, hopelessly dull, obviously inert. He had already begun to stoop like his father, and to have his father's look of vacancy, the stamp of brutish toil. Of education he had next to nothing; he could read and write (in a way), but his mind was one of the most hopeless I have ever observed. He had begun to chew tobacco; most of the boys in the mills chewed tobacco, I was told; and his idea of life seemed to be to get through his irksome and repulsive toil by day and to pose on the streets at night as a young

ruffian. And over him all the time was the creeping shadow of the white plague.

Before such a product, the glory of the land of free opportunity dwindled rapidly. Yet he was but a type; there were hundreds of boys like him. A little examination showed that few of them seemed to have any ambition or any purpose in life except to work in the mills and extract from the barren remainder of the day what scanty or foolish pleasure they could find. They had been born in the mills; their world was circumscribed by the mills; they expected to die in the mills. Where were the boys that were to rise to the Presidency or to that wealth said to be open to all? Where were they? These toiled doggedly all day in monotonous and drudging labor, hour by hour doing the same thing until the mere monotony beat their minds as flat as boards. They came forth at night weary and imbruted. Their education had stopped far short of a point where it could provide them with resources or the least armor of the trained mind. The mills, to obtain work wherein was hailed as a blessed privilege, ground up more than cotton; human lives went no less between its rollers and cruel hooks. Into one huge hopper all these seemed to be thrown—the cotton that I knew to have been raised for a poor return by Southern farmers, the men and women of the mills, the little children robbed of their childhood, young men and maidens that ought to have the promise of fair life before them—and out of the dreadful grinding there issued on one side the profits of the mill owners, and on the other a ghastly train of ruined lives.

I could think of no theory on which such things could be justified. The world needed cotton cloth; it did not need the palaces of the mill owners. To supply the world's

need the operatives contributed their indispensable labor, and were rewarded with such hideous homes as this I had just left, with ill-health, privation, disease, and the prospect of an early death after a joyless life. The mill owners contributed no essential thing, and their reward was the life of ease and superfluity in such a palace as I could see shining through the trees on the hill. I could learn of no justification of this condition then, and I have been able to learn of none since.

But standing that day in Fall River, and looking first at the mill owner's palace, gorgeous in the sunlight, and then at the rotten tenement, I fell into a train of thought, obvious enough, and yet, if I may make the confession, quite new to me.

Here, said I, is this consumptive operative whose home I have visited. He performs in the mills a necessary part of the work; someone must do this work that society may have the cotton cloth it needs; this man is of use to his times, he is serving his kind. From this street that leads to his frowsy abode I can see on the other side of the town the beautiful house and extensive grounds of the mill owner. This man has inherited the stock in the mill company; he pays little attention to the business; he is to it not the slightest use in the world. He does not serve his times, he is of no use to his kind. He dwells in this luxury and spends much of his time in pleasant travel; the man of use toils on to his grave, ill-fed and squalidly housed. Exactly why is this?

It was impossible to avoid that question; it was thrust too persistently in my face as I went my way. Custom decreed, I knew, that industry should be conducted by capital and labor, and that of the products of industry capital should take a great deal and labor have very little.

But just why should this be so arranged? Custom, of course, was a powerful thing; but after all, it was no reason. Custom had once excluded all but noblemen from any share in the government and had upheld the theory of government by divine right. Suppose custom were the other way; suppose custom had ordained that labor should take a great deal of the products of industry and capital should take very little. It was obvious that in such a case the operative would now be living in the palace and the idle mill owner would be living in the rotten tenement; and a suggestion that this arrangement was not perfectly right would seem very strange—as strange as any suggestion against the present system seems now.

But, I said to myself, if the operative really received the great reward and the mill owner the little, why should that not be an arrangement far more consistent with justice? The operative contributes to the enterprise an essential thing; the mill owner contributes something that is not an essential but only a convenience. Clearly, it is but a handy fiction to say that in industry capital and labor are equally necessary. They are not; capital is not necessary at all; only labor is necessary. All that capital does could be done as well without it. Let me see. Capital, I shall say, erects the building for the mill. Good. But the building is really erected with the labor of men's hands, and it is easily conceivable that such labor might be had and the building be erected without capital, for each man employed might contribute his labor if he so desired. This is not only conceivable, but has often happened.

Next, capital places in the building the engine and machinery necessary for the work of the mill. Good. But all of these engines and machines are made with the

labor of men's hands, and if the men that made them desired to do so they could contribute their labor without the interposition of capital.

Next, capital purchases coal whereof to make steam to operate the engines and machines. Good. But this coal was mined and prepared with the labor of men, and these men might, if they chose, contribute their labor and produce the coal without the least assistance from capital.

Capital transports the coal and the machinery over railroads. Good. But all these railroads are operated with men's labor and could easily be so operated if there were no capital.

Capital attends to the marketing of the product of the mill. Good. But here, again, the marketing is done with the labor of men, and if men so determined they could contribute their labor and proceed without capital.

On the other hand, the building could not be erected, nor the engines and machines produced, nor the coal mined, nor the railroads operated, nor the product marketed without labor.

So that, as a matter of fact, the essential of productive industry is labor, and capital is a mere convenience that at any time could be cast aside without interfering with productive industry.

It must be, therefore, that the present division of the proceeds of industry is purely arbitrary, irrational, and unjust, and it is maintained solely for the benefit of the capitalist.

One result of this injustice, I said, is that the worker, the useful man, the man that contributes to the enterprise the essential of its being, the man that is of use and service, gets too little to eat, is badly housed and overworked, and crawls through life without the joy and suffi-

ciency to which every child of earth is clearly entitled. Not only so, but he is part of a huge and growing army of men thus robbed of the happiness to which they are entitled; and he is not only robbed himself, but the robbery extends to his children, and is multiplied upon them so that we are breeding a separate race of industrial serfs, deficient in mind and body, the chained slaves of the machine, all robbed, and all accumulating a bill of wrongs that the future must settle.

I recalled that not long before there had been a strike in these mills: all the operatives had ceased to work—in order to better their condition. On reflection, that seemed an anomalous thing, that to better their condition men should cease to produce when clearly production and work were primal necessities of life. I recalled some newspaper comments on the strike. The strikers were very bitterly condemned for striking; they seemed to be regarded as offenders against public decency, and some newspapers seemed to think the militia ought to be called out. I had seen many strikes attended with the calling out of the militia, and like every other observer, I understood quite well that the only purpose of having the militia called out was to frighten the strikers back to work. I knew, too, in a general way, that it was for this purpose that militia and armories were maintained at a heavy public expense. But after I had seen the mill operatives the idea of driving them at the point of the bayonet back to their deadly mills struck me, of a sudden, as a kind of grewsome jest.

They told me at Fall River that at intervals the mill owners, to better their condition, would close the mills for a time and cease production. No bitter comments ever followed this species of strike, but it seemed to be accepted as

quite reasonable and proper. No one demanded that the militia should be called out to coerce the mill owners. Yet, on reflection, I was unable to see exactly why not. I could not tell exactly why the man that owned a mill could stop it to better his condition and the man that worked in it had no such right. So far as I could see, to stop the mill for one was exactly as bad as to stop it for the other, and if a distinction were to be made legally against the man that worked in the mill, then I could not well escape the conclusion that legally, also, as much as industrially, this man must be a serf.

Of all this gloomy outlook the worst seemed to me to pertain to the children. The right of a child to its childhood, the right to be happy and to know the sunlight and the green grass and the trees, to learn and to play, to look upon the world as a happy place, to look forward with joy to life in such a world—that seemed to me a right at least as inalienable as the right of the millionaire to possess his millions. But here the child's rights were absolutely denied. A dreary and animal existence in some place unfit for human beings, a few weeks in a crowded schoolroom, bawled at by an overworked and underpaid teacher, and then into the mills to be ground up for profits, and his bones to the cemetery when no more profits can be extracted from them; this was a child's life in the operatives' quarter of Fall River, Mass., U. S. A., land of free opportunity, in the year of grace, 1892. And overhead the joyous sun, and all about the beautiful green earth, with fruits enough for all, and this child's life ruined from its beginning that we may have more profits.

If now this sounds acrid, I can but protest that I had and have no such stuff in my thoughts, but only to tell the facts that lie everywhere around us, only we will

not see them nor acknowledge them. I have heard men to whom the conditions in Fall River, Lowell, Lawrence, Haverhill, Paterson, Pittsburg, Newark, or other like perditions must be fairly familiar, repeat with an appearance of sincerity the ancient platitudes concerning the land of opportunity and the glorious chances of success that lie before every poor boy. Standing there, all such sentiments seemed a travesty not to be uttered; and seeing in Fall River the perfected work, I began to doubt very much the essential advantages of the industrial development of the South that I had praised.

Fifteen years later I had a chance to see how this matter had worked out in practice. I went again over much of the ground in Virginia, North Carolina, South Carolina, and Georgia that I had traversed before. The progress on the lines I had forecasted was everything that could have been desired—of that kind. Every station through the cotton belt had its mill busily spinning. The dividends of some of the companies had been exceedingly good. What was called prosperity had come to the greater part of the region, and many of the towns had grown so rapidly I could hardly recognize them. The mills had done a thing that all my life I had heard lauded as most desirable and admirable. They had "furnished employment" to thousands. But on any inspection it appeared that the average life of the masses of people had not improved; the proportion of poor to rich had not diminished; there were no fewer people whose lives must be passed in insufficiency; on the contrary, there were more. The prosperity had been the prosperity of the well-to-do; the rest of mankind had no more to eat, no better clothes, no better houses, no more joy or light. Indeed, the average of white men's homes, at least, seemed to have been de-

pressed. Most of the operatives lived in houses not much better than sheds, and in each of these towns was beginning or well under way a miniature Fall River.

Beyond all this was the unspeakable blight and crime of child labor, far worse than my worst recollections of Fall River; if Fall River slew her scores of little children, the cotton industry of the South slew its hundreds. About this I offer for testimony not merely my own observation, but the words of witnesses of much greater importance. Here, for instance, is Mrs. John Van Vorst, who was in the South about the time I was, and whose invaluable book * is full of grave lessons to a purblind race. I shall quote from Mrs. Van Vorst a typical scene in a Southern cotton mill, because she can describe it much better than I can:

I could not take my attention from the tinier of the tiny pair. The boy's hands appeared to be made without bones, his thumb flew back almost double as he pressed the cotton to loosen it from the revolving roller in the spinning-frame; they no longer moved, these yellow anemic hands, as if directed in their different acts by a thinking intelligence; they performed mechanically their gestures that had given them that definite form.

The red-headed girl laughed and nodded in the direction of the dwarf.

"He's 'most six," she said. "He's been here two years. He come in when he was 'most four. His little brother 'most four's workin' here now."

"Yes? Where?"

"Oh, he works on the night shift. He comes in 'beaout half-a-past five and stays tell six in the mornin'."

I went over to the other dwarf of the couple, older evidently than the boy "'most six." Below her red cotton frock hung a

* "The Cry of the Children," 1909, New York. Moffat, Yard & Co.

long apron that reached the ground. Her hair was short and shaggy, her face bloated, her eyes like a depression in the flesh, and about her mouth trailed dark streams of tobacco. It seemed atrocious to question her. Oblivion was the only thing that could have been mercifully tendered—even the peace of death could hardly have relaxed those tense features, cast in the dogged mold of misery.

"How old are you?" I asked.

She shook her head. "I don't know."

"What do you earn?"

She shook her head again.

Her fingers did not for a moment stop in their swift manipulation of the broken threads. Then, as if she had suddenly remembered something, she said:

"I've only been workin' here a day."

"Only one day?"

"I've been on the night shift tell neow."

Dwarfs? Ah, yes; dwarfs, indeed. But would that those that affirm it might once catch sight of the expression that lowered under the brows of these two miniature victims. Like a menace, threatening, terrible, it seemed to presage the storm that shall one day be unchained by the spirits too long pent up in service to the greed of man.

Little children in the process of being first robbed and then murdered in the sacred cause of profits. If you like the system of which this is the certain fruit, come here and like the fruit also. You should not like the one without the other. And if you accept both, let me ask you one question. How if this robbed and tortured child were your daughter, or your little sister? How would you like that? And if it would be bad for your daughter, or your sister, do you think it can be good for another man's daughter and another man's sister?

No one need think that Mrs. Van Vorst's descriptions are in the least exaggerated; she has but understated the facts. For what she saw and I saw and others saw we

have fortunately the corroboration of a witness without emotions or sympathies, and incapable of the least inaccuracy; we have the camera. A representative of *Everybody's Magazine* traversed the South in the winter of 1908-9 taking pictures, as well as making careful notes, and some of his photographs reproduced in the magazine were calculated to turn the beholder cold. He had caught civilization red-handed upon its victims; he had pictured relentlessly every successive step in the slaughter of the innocents that this system of industry involves, and here he disclosed the sum of its results.

He found, to give you here but one example, a girl of eleven that had been in the mills since she was five. She could neither read nor write, but the foreman said she was the best worker on his floor. She looked so old that persons that saw her for the first time were always startled, and thought she must be in some way deformed, or abnormal, or uncanny. At eleven years of age her face was lined and hollow and gray, like an old woman's. Care and the brute struggle for daily bread had stamped it with their usual marks. When she was asked the simplest questions of ordinary human knowledge she shook her head and made a guttural sound of negation. She seemed hardly human; no one about her could remember to have seen her laugh or play or take part in any pleasure. Her earliest associations were with the mills and drudging work therein; her life of toil seemed to have crushed out of her all faculties not connected with her work; and she had, in fact, become a part of the machinery, in any true sense as dead as one of the cog-wheels and already doomed to a like fate.

I have played tricks with the photograph of this little girl. I have shown merely her head without her body,

and caused persons to guess her age. Some have said forty and some thirty-five; none ever came anywhere near the truth. I have shown her complete photograph and told her story to some men and they have clenched their fists and sworn, and tears have come into women's eyes when they looked at her.

She is only a type, a single example of the work we are doing for the next generation. She worked in an Alabama mill. Do you imagine that Alabama is the only state in the Union where such things go on? They go on everywhere; the only difference is in degree. The South is only relatively worse than the North. In every Northern State are thousands of children almost equally robbed and maltreated. *Everybody's Magazine* had photographs likewise of boys employed in the coal mines of Pennsylvania, and boys employed in the glass factories of Indiana, and on all of them was the same stamp of soul-murder and body-murder. Mrs. Van Vorst says that in the United States are 1,500,000 little children illegally employed in the productive industries. Other authorities place the number as high as 1,700,000. In view of that fact, I know of nothing stranger than this, that you can with great ease and great success gather meetings and form associations to declaim against war, and with only the greatest difficulty can you draw a passing attention to this huge evil a thousand times worse than any war.

Does anyone think it is to be abolished with more legislation? Many states now have stringent laws against the employment of children, and in most of these states the law is violated. Mrs. Van Vorst found in staid, well-ordered New Hampshire what might be called an open contempt for the law about children. In the mills of Manchester she found hundreds of children manifestly

under the prescribed age of employment, and no apparent attempt to enforce the law or inspect the factories. Children are illegally employed in New York State in the teeth of repeated and stringent legislation, and very high public officers have apparently connived at the crime. The ready defense for the mill owner and the factory inspector alike is that the parents lie about the ages of their children in order to get the children at work, and if the parents lie, who shall gainsay them? But how is it that nobody inquires why the parents lie? These people are not readier than others to see their children swept away to death or ruin. The plain reason for their lying and the reason why they seek to have their children at work is that they need the money the children earn; the struggle for life is so hard upon them that they must have these additional earnings that the family may live. It was for this reason that when a few years ago the question of child labor was before a British Trades Union Congress in London the representatives of 514,000 textile workers voted in favor of it. They said so; they said that in existing conditions without the wages earned by the little children they did not know how they should live. Yet there were no little children of the mill owners being ground to death that their parents might live. It was only the children of the men that contributed something essential to the enterprise that suffered this infinite wrong. One man in those cotton mills wove enough cloth for 200 persons, and yet himself went badly clad, badly shod, badly fed, was badly housed, and to keep the breath in his own body was obliged to sacrifice his children. What possible defense can there be for such a condition?

So we take also this immeasurable crime and pile it

upon the head of this abominable system, already dripping with blood and bowed with so many other abominations, knowing quite well that nothing ever conceived by man is strong enough to endure under the curse of little children. And while we are filled with horror at child labor and its consequences, we need not forget that all of it, and all of the system of production and distribution responsible for it, are unnecessary.

We can have cotton spinning without murdering little children, and without darkening men's lives, if we wish so to have it.

CHAPTER VII

THE MEN BEHIND THE DREADNAUGHTS

I ONCE lived for a time in Pegli, on the Gulf of Genoa, six miles west of the city. It is a beautiful place, the "rose town" of Northern Italy. The slope of the hill facing the blue Mediterranean is covered with the villas and elaborate gardens of rich Genoese. At these the roads cease, and he that goes on into the hills, rising higher in successive folds behind the town, must make his way on winding footpaths, good to climb because they go sometimes among thick pines and sometimes emerge upon a surpassing view of the Gulf and to the east the towers of the city. Among these hills you come sometimes upon isolated farmhouses, where people live in a kind of grapple for existence, and one such dwelling grew particularly upon my notice.

It stood in a little ravine so that a six-inch brook ran past its door, and enabled the farmer to irrigate his fields (if I may so call them), which were about the size of blankets and seemed almost perpendicular. The house was of plastered stone, two stories high, the lower floor devoted to the cow, the pig, and the donkey; the other (reached by a ladder through this menagerie) being the abode of the family. For reasons of economy in regard to an ancient window tax, the house had been built without glazed windows: square openings had wooden shutters that were closed in bad weather, leaving the rooms

in utter darkness except for the single beam of light that entered through a small round hole in the shutter. When the cold was not too severe the shutter was opened a few inches and fastened there, an arrangement that admitted enough light to cook by, and a trifle of fresh air. The presence of the livestock on the lower floor had strong reasons in economy, since they were a cheap source of heat; an advantage that, in the estimation of the family, overbalanced certain drawbacks apparent to the senses.

Pietro was the farmer's name; I found that out from hearing his wife call him one morning when he was hoeing something at the lower edge of the farm. He had for family his wife, two little boys, two little girls, and two old women, whom I subsequently discovered to be his mother and his wife's mother. The life of all these consisted merely of toil. They raised two and three crops a year from their microscopic farm, and to secure the tilth they must be out early and late, belaboring and turning, and, it seemed to me, beseeching the reluctant soil. I found that the farmer rented the place (at a heart-breaking price) from the owner of one of the beautiful villas that sat apart and from a nest of vivid green looked out upon the sea. This owner never saw Pietro nor his farm, distributing his time and languid presence between Cairo in the winter, Pegli in the spring, Homburg in the summer, and Lugano in the fall, an arrangement that gave him little opportunity to consider the sweaty tenants whose efforts provided him with these and other pleasures. His estate at Pegli was a wonderful thing; American tourists were always coming to see it, and viewing it with ecstasy, and wishing they had something like it at home. I was told that the place produced a hundred

and seven varieties of roses, and the owner had once devoted enough attention to it to spend $90,000 on one grotto.

Up at Pietro's house there were no roses and no vistas; the house stood four-square, and the rooms on the upper floor were hopelessly barren and dismal. There was nothing beautiful to look at, and no attempt at adornment, except a crucifix and a poor little picture of the Virgin. In these forlorn environments even the sturdy Italian spirit had been crushed. It was a gaunt and sad-eyed family; incessant toil without relaxation, without change, without hope, and without joy had branded them all with the intellectual debasement that pertains to such things. Yet they were of a good sort, warm-hearted, and kindly, only battered into the essential state of beasts of burden, of their own donkey, if you please, by the monotony of their lives and that ceaseless struggle for bread.

The produce of the farm Pietro carried to the market of Genoa in two baskets slung one on either side of his donkey. To get to the market early enough to dispose of his handful of carrots or bunch of lettuce he must start from his home about midnight. Soon afterward (for I lived close by his path) I could hear his donkey's feet clattering downward on the stones. Before noon they would be coming back, Pietro and the donkey, the paniers empty, and maybe as much as thirty cents in the farmer's pocket—to be laid aside for the rent, I suppose, or for taxes. In the afternoon he would be out on his farm, hoe in hand, still grappling with the reluctant soil. In the end I scraped an acquaintance with him (no difficult matter, for, like most of his race, he was affable and courteous), chiefly to ask him one question that I had long desired to put.

"Why do you stay here in these conditions? You see how hopeless it is. You work hard for mere bread, your children will be as you are, only very likely they will be in still worse straits. They tell me your taxes grow; that you pay the tax-gatherer more than your father paid, and are likely to pay still more. Why don't you leave it all and go to America, where there is unlimited opportunity?"

It appeared that he had three reasons. First, there was the place; his father had tilled it before him and his grandfather. Then he was an Italian; his father had fought for Italy; he could not well part from his native land. Then to go away he would need much money, and he had none, and no chance to get any. How, then, could one travel? There were many mouths to feed in his family. And as for America, his cousin Michael, who lived in the town, had been in America, and it was all just the same there as here, nothing but hard work for little money, so that Michael was glad to get back to Italy, and was begging all his friends not to go to America. So he would go on as he was, and hope with the blessings of the saints to pay his taxes and keep the family alive. Perhaps the taxes would be smaller hereafter, and there was always a chance that the children would do something. Anyway, Italy was Italy.

I tell you all this because the man was a type. I have seen many of his kind, and so has every other traveler.

Now there was, of course, more than one reason for his poverty, his dreary life of toil, and his view that saw nothing of hope. He was, in the first place, the victim of a system, exactly like hundreds of millions of other men around the world; exactly like the vast majority of

the inhabitants of the earth, who in the midst of abundance dwell in destitution, and with light enough for all lead only darkened lives. Like all the others, he was in this respect a victim of the capitalistic organization of society that is steadily at work everywhere drawing the fruits of the earth from those that need them and bestowing them upon those that need them not. But there was another factor in this man's condition, and I desire to emphasize it, and beg for it the attention of those that, in spite of their reason and their senses, still hold the existing system to be right.

The other factor was his taxes. In addition to the inevitable burden of inequality that the present system always imposes, this man was crushed under a monstrous load of taxation. When from the produce of his incessant grappling he had paid his tribute to the landlord of the beautiful villa, about one-half of the poor remainder must go in some form to the government. On everything he owned and everything he used, from the pinch of salt wherewith he seasoned his scanty food to the halter wherewith he led his donkey, there was levied tribute. In ways visible and invisible the tax-gatherer was always taking something from that household. Whenever Pietro went to market the tax-gatherer of the octroi met him at the city gates and took tribute from his bunches of carrots and heads of lettuce—took it for the government. If he bought a little fiasco of cheapest chianti the tax-gatherer took something of it—for the government. If he wrote a letter to his brother in Pra, only a few miles away, he must put on his letter a four-cent stamp, of which two cents were for the carrying of the letter and two for the inevitable tax-gatherer—for the government. And if he should ever go anywhere by railroad

train, fourth-class, and standing up like cattle for the market, with the buying of his ticket he must pay a tax —for the government. And the man that kept the little grocery store in Pegli, of whom Pietro must from time to time buy certain little things, this man, too, must pay taxes on everything he bought and everything he sold. If he hung up posters in the town to advertise his business he must pay a tax on each poster; when a customer paid a bill and took a receipt he must pay a tax on that. Every hour the tax-gatherer was taking something from the grocer, and whatever the grocer gave to the tax-gatherer that the grocer took again from Pietro and his kind—with interest and profits for his trouble. And all the men with whom Pietro dealt in any way did the same; they took from him and his kind all the money that the tax-gatherer took from them—for the government. For instance, the man that owned the great villa and Pietro's farm; he must pay taxes on many things in and about the villa, but all of these he passed along to Pietro and his kind, who paid all—for the government. But Pietro and his kind could not pass the burden along like the others. When the burden came to Pietro and his kind there was nobody left to pass it to; so they paid for it out of their labor, their daily food, the rags whereon they slept, the dark houses in which they lived, the nourishment and the education of their children. You shall not be extravagant if you say they paid for it out of the blood in their veins. They paid for it all, because under the present system of society matters are so arranged everywhere that only Pietro and his kind pay any of these bills—for the government.

And what does the government do with all the money thus wrung from Pietro and his kind? I went over to

Spezzia that winter and easily discovered there what the government does with a great part of it. The great government shipyard is at Spezzia, and the hammers were ringing on many ships. One of them was a great battleship; men told me it would cost $6,000,000—of Pietro's money. There was also a cruiser, a great and splendid vessel, almost ready, that they told me had cost $2,000,000—of Pietro's money—and a smaller vessel that would cost, or had cost, $600,000—also of Pietro's money. I was told that the next year the government would lay down a battleship that would cost $8,000,000, and it was planning or hoping for one after that to cost $10,000,000—all with Pietro's money, and every year more money. In ten years or less the battleship that cost $6,000,000 and was now nearly ready for sea would be worthless and thrown upon the junk heap; so would be the battleship that cost $8,000,000, and the battleship that cost $10,000,000, if such a battleship should be built. Everybody in the government knew this, but nobody in the government seemed to care. All plunged ahead, spending Pietro's money. Every year more and more. And as for Pietro, he hung upon his farm and arose at midnight, and grappled with the reluctant soil, and furnished the money with his sweat and his blood and his life.

Or one could go about Spezzia or Genoa or any other considerable city and observe where, on great casernas and vast fortifications, on guns and marching troops and camps, on small arms and uniforms and ammunition, government was spending other millions of Pietro's money. No one, noting all these extensive operations, could fail to see where Pietro's money went, but in the mind of every observer of these prodigies must at once arise one question:

Pietro pays for all this. What on earth does Pietro get from it?

He pays for all; he arises at midnight and drives his donkey down the hill and then six miles to Genoa; he lives in the house without windows, he hangs by his feet, and with his two hard hands he grapples with the reluctant soil that he may get the money wherewith to pay for it.

What on earth for?

What are all to him—battleships, cruisers, guns, casernas, troops, great and small arms, uniforms, ammunition, manœuvres? What possible advantage do they bring to him? How can he eat them, or wear them, or read them, or use them to light his house, or educate his family? He pays for all, and from all that he pays for, what one least thing does he derive? He and his kind make up the majority of the people of Italy. Their government is engaged in a mad race with other governments to build (for the junk heap) the biggest battleships, to possess the strongest forts, to have the best trained army. With 36,000,000 people and little wealth, Italy is striving to keep pace with the other nations, to provide as much for the junk heap and to waste as much energy in preparations for murder. And for these rational enterprises Pietro and his kind furnish the money—coined as aforesaid.

For what possible reason?

Looking at the matter impartially, nothing that is said or done in any madhouse, or could be said or done there, seems so insane as this. In 1906 England lays down a Dreadnaught battleship; Germany responds by laying down two. To preserve her lead in the race for the prize in national lunacy, England must now lay down three. Germany responds with four, and England, making a

gallant effort to retrieve herself and be perfectly doddering, lays down six. Whereupon Germany devises the Super-Dreadnaught, a new candidate for the junk heap much more terrible than anything yet invented, and the whole game must begin anew. Meantime, the former inventions are either to be thrown away or they become of doubtful utility. They have cost from $5,000,000 to $10,000,000 each—of the toilers' money.

Meantime, also, the other nations have been tearing frantically along in the race, each building Dreadnaughts, and each trying to be as lunatic as its resources will allow. Italy lays down one Dreadnaught and Austria lays down two, both countries being horribly poor, so that they must wring the last cent from Pietro and Franz to enjoy these junk heap luxuries. Japan lays down three that the world knows of, and some more that it keeps concealed. America, cheering wildly for blood and slaughter, starts two every year, although her navy yards are littered with instructive junk and she sorely needs money for education and for internal improvements. Neglecting at home one of the most terrible and insistent problems that ever confronted any nation, she is pouring millions into a useless foreign possession to defend which she is told she must have many Dreadnaughts, and much other junk. Poor old Russia extorts more money from the Ivans and Michaels of her peasant hovels and produces a new species of extravagance. Spain turns the rack and grinds additional millions from her starving populations. Every few days a South American republic, poor as poverty, gives out a new contract for ships and guns; everywhere the news that one government has developed a new form of mania revives the frenzy in another; and everywhere the toiler surrenders more of the fruits of his toil that the junk heap may grow and

the instinct for bloodshed be properly nourished. Compared with all this Bedlam seems a sweet and rational place.

This is what the chief nations of the world are annually expending in the armament competition, compared with their respective debts and the interest paid thereon:

	Annual Military Expenditures	Debt	Annual Interest on Debt
Austria-Hungary	$ 95,000,000	$ 3,140,000,000	$ 121,600,000
Belgium	12,500,000	665,000,000	25,000,000
Bulgaria	5,600,000	6,950,000	640,000
Denmark	6,000,000	6,660,000	220,000
France	205,000,000	5,435,400,000	246,400,000
Germany	219,000,000	4,500,000,000	165,000,000
Great Britain	325,000,000	3,945,000,000	155,000,000
Greece	6,000,000	179,000,000	7,320,000
Holland	18,200,000	480,400,000	15,320,000
Italy	85,000,000	2,604,400,000	115,400,000
Norway and Sweden	27,500,000	188,600,000	7,320,000
Portugal	13,000,000	800,000,000	24,400,000
Roumania	9,000,000	287,000,000	10,680,000
Russia	232,500,000	4,619,800,000	203,200,000
Servia	4,000,000	110,000,000	5,000,000
Spain	33,500,000	1,829,200,000	81,000,000
Switzerland	6,500,000	20,400,000	1,200,000
Turkey	24,000,000	474,000,000	23,900,000
United States	229,000,000	938,132,409	21,424,990

The military expenditures of Europe amount to $200,000,000 a year in excess of the interest on the national debts. Here is forty years' increase in Europe's national indebtedness:

1866	$ 5,320,000,000
1906	29,600,000,000

Here is forty years' increase in interest charges:

1866	$ 480,000,000
1906	1,200,000,000

Here is forty years' increase in military expenditure:

1866	$ 600,000,000
1906	1,400,000,000

Europe has five million men at all times practically under arms.

As in none of the larger countries, with the possible exception of the United States, is the ratio of increasing wealth equal to the ratio of increasing military expenditures and to the ratio of increasing debt interest, national bankruptcy is for them merely a question of time if the present policy be maintained. In at least two of these nations the pinch is already severely felt; Great Britain and Germany seem to have reached the limit of national resources: and whatever they waste hereafter on Dreadnaughts and the like must needs be taken out of the stamina of their people.

The true aspect of all this has long been perceived by thoughtful men in all the countries, who have steadily insisted that, aside from any question about the morality of wholesale murder and merely on the cold basis of dollars, the nations must call a halt in the race. Few of these have been willing to denounce the cause of the distemper, but all heartily agree in denouncing the symptoms. I will now give an illustration of what may be expected of all such attacks on the symptoms of war, with the more readiness because it is at the same time an excellent illustration of the true reason why we have wars, Dreadnaughts, and military expenditures.

By all the good people in the world that believe things in the main to be about right but needing perhaps a trifle of tinkering, the International Peace Conference that met at The Hague in 1907 was hailed with the greatest satisfaction. Considering the modern facilities for enlightenment, the number of such good people and their influence are very amazing. They exist everywhere, but I must suppose a larger proportion of them to hold forth in and

bless the United States of America than one can find in any other country. Their attitude of mind seems to be reached by resolutely shutting their eyes to the existence of poverty, misery, and insufficiency in the world, and by holding that whatever little improvements are needed anywhere to bring us up to perfection are to be supplied through the medium of a few great and good men that they either have placed or hope soon to place in authority over us.

To all such minds the Hague Conference was a grand event. They did not pretend that it would abolish the military frenzy, but they thought it would mitigate war and lead us eventually to a state in which we shall not wish to murder our brethren. Not too quickly, of course; because we are conservative and opposed to any sudden changes, even the leaving off of habitual murder; but eventually; some centuries hence, perhaps. True, nobody knows now just what the Hague Conference did to further these desirable ends. It met, it spent the summer in debate, it adjourned, and the madness of war expenditure went on unabated, and has gone on ever since. Yet to the conservative mind these little facts are not for the impairment of satisfaction. The Hague Conference met; perhaps it will meet again. Let us rejoice. But as a matter of fact, the Hague Conference was not really called for any purpose of ending or of discouraging war or war expenditure, but for quite a different purpose, as will appear to anyone that will contemplate the records.

For many years the Interests in Europe that control the money supply and finance the nations had been much annoyed by the difficulty of collecting debts in certain South American countries. The great banking houses (which really sit behind the scenes and pull all the strings) had been driven on several occasions to send fleets to South

America and threaten or bombard cities to get their money back. This was troublesome and expensive. Sometimes it did not work very well, and at all times it was a great nuisance, so the Interests seem to have determined to abolish this condition.

The year before the Hague Conference met there was called in Rio Janeiro a Pan-American congress, to which all the nations of South, Central, and North America were invited to send delegates. Rather to the wonder of the experienced observer, the government of the United States was a prime mover in this congress, and Mr. Elihu Root, then Secretary of State, attended it in person as one of his country's representatives. There were two reasons why this seemed strange. As a rule, this government has regarded the South American countries with neglect or indifference, except when it has suited our purposes to steal a canal zone or foment a revolution; and the sudden access of zeal in our South American relations was a rare novelty. Furthermore, for a Secretary of State to attend such a gathering was without precedent, and seemed all the stranger because Mr. Root's career had not revealed any great interest in statesmanship, having been devoted chiefly to legal services for certain corporations and great moneyed Interests closely allied around the world. Mr. Root not only attended the Conference, but took active part in it, and was greatly, and no doubt justly, praised for the tact and skill that he displayed.

Just what the Congress accomplished in other ways seems to be somewhat vague, although its mere existence gave much joy to bromidic believers in things as they are. In one respect, however, its achievements were of the order that make history. It adopted an agreement to the effect that hereafter disputes between European and South Amer-

ican countries should be submitted to the Hague Conference. Mr. Root, it appears, was heartily in favor of this measure, and its adoption was hailed as a triumph of his ability not less than a victory for the cause of peace—to be achieved by the dosing of symptoms.

The Hague Conference met the next year and discussed many things, doubtless of the greatest value to mankind, although no one can now remember what they were. But its true function was performed when it arranged to care for the South American disputes, hereafter to be settled in a European tribunal controlled by European influences; and if war was not discouraged at least European bankers were relieved from the necessity of sending fleets to South America to collect debts.

And if the Conference did not abolish or discourage war, we may feel quite well assured that in this respect also its deliberations were quite satisfactory to the Interests. These cannot very well at present desire to have war expenditures abolished. Such expenditures are enormously to the profit of the European banking business. Nations that participate in the Dreadnaught race must be financed; it is the business of the Interests to finance nations; therefore, the more Dreadnaughts the more financing. If they so wished these Interests could abolish war to-morrow. Their power upon all the governments of the world is so irresistible that if they were but to raise a hand the armament race would cease and militarism decline. No one that has any conception of the real governing forces of Europe will doubt for a moment that this is so. The Interests do not stop the armament race because it is profitable to them to have it continue. Hence, it will continue and all the protests and declamations against it are but wasted breath.

So long as we maintain the present organization of society we shall have exactly these conditions, and it is right that we should have them. The foundation stone of the present social system is competition; war is the highest and most perfect expression of competition; it is merely competition carried to its normal development. After all, to kill men on the battlefield is not worse than to starve them, or to slaughter them in the dangerous occupations, or to make them drag out wretched lives in the slums. Business competition does these things daily, but we shall listen in vain for any particular protest against them. We think war is worse than the silent slaughters now going on in a thousand factories and a thousand slums, but we only think so because there is more fuss made about the noisier battlefield. In point of fact the difference is indiscernible: slaughter is slaughter, however achieved. The essence of the Competitive System is cruelty. In what respect is war more cruel than poverty? Competition steels men's hearts against one another; it makes them indifferent to the suffering of others; it gives them no object in life but gain, and fosters no traits but greed, individual and national. Then, so long as we maintain competition, by what right shall we object to war, which is nothing but competition in its final form? Or if we really desire to abolish war, why not abolish the thing that alone makes war? And if we will not abolish the cause of war, shall we not look rather foolish at Carnegie Hall and elsewhere declaiming vehemently for peace?

Many persons that hold fast to what is called "the glorious spirit of optimism" and believe we need not be disturbed about the wrong in the world, habitually refer much to the assertion that war is diminishing among men, a statement from which they seem to derive a great and

peculiar satisfaction. Perhaps this is a good time to examine for a moment the optimistic philosophy, for here is an admirable specimen of its usual procedure upon half truths and superficial statements. The theory of the decline of war has two branches. First, it is said that modern invention and skill have made war so much more terrible and costly that nations will not again engage in it; second, that the improved modern spirit has so much softened the horrors of war that we can hope for a time when this process of amelioration shall abolish it altogether —or perhaps reduce it to a game of basketball. You will at once observe that the two branches of the theory do not cohere, and I should in fairness explain that the two are not usually held by the same optimist; some optimists hold to one and some to the other. But the general idea is that war is gradually ceasing among us, and in the course of time—perhaps a million years—it will have wholly disappeared. Therefore, why worry?

But has the attitude of the nations toward war really undergone much of a change? War costs more than once it cost—of Pietro's money—that is true; to fire one great gun costs now almost as much as once a battle cost. But assuredly the great guns are very much more destructive than the guns of former years, and neither their increased cost nor their increased destructiveness has deterred the nations from gathering large supplies of them, nor did these considerations for one moment hold back Japan and Russia from flying at each other with some of the greatest guns ever made. We get the impression that war is detested by the governing powers because kaisers and kings are constantly uttering platitudinous sentiments in favor of peace, while they are unceasingly preparing for war. Such protestations as theirs have (with the assertions of

the optimists) resounded for generations about this earth, filling every breathing space between war and war and being without other meaning. When we reflect that from 1837 to the present time Great Britain has fought more than two hundred campaigns, and that there has hardly passed a day when some of the great civilized nations were not making war upon somebody the optimistic vision seems much impaired. Observe the dates of some of the great wars of recent times, and see if they indicate that war is decreasing:

1856—Crimean war: France, England, Turkey, and Sardinia against Russia.
1859—France and Sardinia against Austria.
1861-5—Civil war in America.
1866—Prussia against Austria.
1870—United Germany against France.
1877—Russia against Turkey.
1894—Japan against China.
1897—Turkey against Greece.
1898—United States against Spain.
1899-1902—Great Britain against the Boers.
1904-5—Japan against Russia.
1909—Spain against the Riffians.

This seems to dispose of the theory that war is ceasing on earth or becoming infrequent; and yet this is a very inadequate list of the world's disturbances, for it takes no account of the incessant campaigning of the Europeans against the brown and yellow men, of the wars of Great Britain in the Indian peninsula, in the Soudan, in Burma, against the Maoris, against the Chinese, against the Zulus; of the campaigns of France in Tonkin, of Holland in Java, of Italy in Abyssinia, of Germany in South Africa, the

wars of the South American states, and lesser conflicts of which the list is endless.

The truth is that, while we are holding peace conferences, peace jubilees, and peace dinners, congratulating ourselves on the decline of war and the prospect (somewhat afar, it is admitted) of universal amity, the sounds of conflict go on unceasing, and the nations rest not but increase their preparations to cut one another's throats.

As to the diminished cruelty of war methods, that seems on examination an idea equally fallacious. In the old days the lines of battle rushed together and men hewed at one another with their swords. To the optimistic mind that seems very terrible; it is so much more refined to stand off six miles and blow one another to pieces with lyddite shells or mow down our enemies with the Maxim automatics. But however barbarous the custom may seem of seizing your enemy by the beard and striking at him with a sword, it was very much less dangerous to him than to blow him up with a mine or to riddle him with Mausers. In other words, the manner of the thing has been refined; the essence of it is worse.

I question much if any of the correspondents that followed the Russo-Japanese war are enthusiastic supporters of the theory that modern war has been humanized: the things they saw seem to have made another impression upon such of the correspondents as I have been privileged to talk with. I was in Japan just after the close of the war, and saw some of the remains of Japanese soldiers brought home for burial, an arm or a foot or a cap (being all that could be found after the shell exploded), and there was nothing about these spectacles that appealed much to one's senses as remarkably humane. There is no way, so far as I have been able to learn, by which war can

be made anything but infinitely horrible in all its stages and phases; General Sherman's definition of it remains absolutely correct after all these years of what are called humane inventions for the speedy making of widows and orphans; and there still remains unchallenged the hideous indictment that for this also the system called Capitalism is responsible.

And yet even war is doomed with the system that produces it; not by foolish, mouthing Hague Conferences, nor by the resounding platitudes of Carnegie Hall, but by something of far greater importance to the human race than all the peace conferences that have ever assembled.

I shall, for two reasons, paraphrase from Mr. London's "The Iron Heel" the illustration of the standard theory of the unconsumed surplus, first, because it is there set forth as clearly and as concisely as it can possibly be framed in words, and then because any other attempt at a brief statement of the principle involved must seem like an infringement upon Mr. London's work.

Let us put the matter in this way:

Take the United States of America as a fair type of the modern developed nation. We produce in the United States annually, let us say, four billion dollars of wealth of all kinds—farm products, manufactured articles, and what not. Now the wage earners of the country, who compose about 85 per cent. of the population, receive in wages and salaries approximately two billion dollars a year. Obviously, then, they can consume each year no more than two billion dollars' worth of the produced wealth, because certainly they cannot buy more than the amount represented by their total income. This leaves 50 per cent. of the wealth to be consumed by 15 per cent. of the population. Of course such consumption is impossible,

and there is left every year a bulk of unconsumed products amounting to not far from one-half of the whole.

This unconsumed surplus we ship abroad, chiefly in the form of grain, meat, cattle, and manufactures. There it is exchanged into the unconsumed surpluses of other countries, because nearly all of the nations of Europe are in the same condition that we are in: that is to say, they are producing more than they consume and every year each of them has an unconsumed surplus of which she must dispose. Thus the unconsumed wheat of America may be exchanged into the unconsumed cloth of Great Britain, or the unconsumed wine of France, or the unconsumed oranges of Italy, or the unconsumed steel of Germany; but it is still an unconsumed product, and in one shape or another it goes about the world until it reaches a country that consumes more than she produces, and there it is finally consumed. Against this consumption are issued the evidences of debt, that is to say, bonds, which are transferred to a nation that had an unconsumed surplus, and where the financiers operate profitably with them.

All this is quite clear and very well. But the trouble is that the number of these countries that consume more than they produce is steadily diminishing, because they are the undeveloped countries, and all undeveloped countries tend to become developed. Thus, for a long time the countries of South America, Argentina, Brazil, Chili, and so on were excellent consuming countries and disposed annually of much surplus from the European circuit. Within the last few years several of these countries have been developed so that their capacity as surplus consumers has almost vanished. Japan was for many years a grand place in which to dump our surplus products; she has

now surplus products of her own to dump upon other people. As fast as a country becomes developed she ceases to consume the surpluses of other nations and begins to produce a surplus of her own—to the growing perplexity and distress of the world.

This process has already had some remarkable results and some very instructive illustrations well worth attention on their own account. For example, it renders perfectly clear certain eccentricities of foreign policy otherwise merely hopeless riddles. The real concern about the awakening of China is not lest she should overrun Europe with her armed hordes, which is merely a fantastic dream of the war-makers, but lest she should cease to consume the surplus products of Europe and America and begin to produce a surplus of her own. Therefore, the whole of our uproar about "the open door" in China (a thing in which we had ostensibly not the least interest in the world) had in view this contingency, and nothing else. "The open door" was to let in the surplus products of civilization already seriously threatened by advancing development in so many countries.

Because the number of undeveloped countries where surpluses can be dumped is strictly limited; no more new worlds can be discovered; and there is impending a situation that ought to cause the gravest concern to every person that believes in the existing order of things.

A little incident that occurred in the year of grace, 1909, and passed almost unremarked, contained an expression of the whole situation. One of the notable phases of the awakening of China is the development of an ability to finance, organize, build, and operate railroads without European assistance. The construction of the Canton-Hankow line in this manner was a fact extremely dis-

agreeable to European financial interests; it looked too ominous. At the beginning of last year China was ready to launch similarly the new Hankow-Szechuan railroad. At this the European and American bankers went to the extraordinary length of protesting. They wanted some of the good bonds that would necessarily be issued for the work. I know of nothing that gives a better notion of the international pact of the Moneyed Interests and the tremendous power it exerts than the fact that President Taft was induced to send a personal telegram to the Regent of China asking that American capital be admitted to the enterprise. The Chinese government seems to have yielded, as it generally yields to foreign pressure, but not with very good grace, for it has evidently adopted a policy that will exclude foreign exploitation. We have in the past counted much on this Chinese habit of yielding. Unless the present Chinese activities are very deceptive, the time is not far off when China will cease to yield. And about that time look out for squalls. Sixty years ago Great Britain thought it but fun to force upon China with guns and battleships the surplus opium product of India. You may have noticed that when in 1907 China renewed the exclusion of opium, Great Britain did not care to go to war over this loss of surplus consumption.

Other signs multiply upon him that will take notice. It is most significant that at the time when the previously undeveloped countries are ceasing to consume our surpluses a great wave of business depression sweeps over all the surplus producing countries; there is loud complaint of the accumulation of the unconsumed surplus, and production is retarded everywhere until consumption can catch up with production. It is the first time this has happened around the world; it cannot have happened without a

cause. For the time being the closing of factories and the restriction of hours of work avail much toward the restoring of the balance, although at a heavy cost of suffering; but the fatal fact is that exactly this situation is certain to recur more and more frequently as the field of surplus consumption continues to narrow. Some time, perhaps only a generation hence, all the nations of the earth will be surplus producing countries, and there will be no corner in which they can get rid of their surpluses. The present system of production will then, of course, break down. By no conceivable chance can it continue when there is no consumption of its surplus, because it is from the consumption of the surplus that capital draws the profits that alone are the occasion of its existence. When these profits are abolished Capitalism is abolished, and the world will necessarily pass to a new basis of industry. And when Capitalism is abolished, war, poverty, destitution, slums, insufficiency, most of the crime, and much of the disease in the world will be abolished also.

The only question is, since these things are inevitable in the process of time, why should we wait until at an enormous cost in suffering and lives the doomed and wretched system works out its own destruction? Why not end it now? From its inception it has wrought upon earth only fathomless evil. All other sorrows that afflict mankind—parting, disease, the chances of accident, and the perils of the elements—are less than this one black curse, for the sake of which the majority of men live in darkness and pain.

CHAPTER VIII

TWO TYPICAL WARS

In May, 1900, I was at Exeter, England. Going into the hotel one morning I was closely followed by the postman; him a pleasant-faced young woman ran eagerly to meet. As I stepped upon the stairs I heard behind me a poignant cry and turned to see the young woman's body falling to the floor as if she had been struck with a hammer. She was quite unconscious when we got to her, and when she was revived it was to go into hysteria. At intervals that night and afterward her sobbing resounded through the hotel, and when I came back next year I was not astonished to find that she was dead. It was her brother in South Africa—they were two orphans, alone in the world; he had been shot dead in a charge, and the word of it had stretched out a great fist and bludgeoned her to death in England.

One woman's sorrow. I know it seems foolish to weigh that against the mighty purposes of great empires. It is from blood and tears and the crushing of lives that empires are always built, and in no other way. Would you have us desist from the building of empires because of a few ruined lives? To build empires is the grandest object of the human race, and justifies any means. God knows what good they do in this His world, nor why we should look upon them with pride; but empire builders

we must be. Therefore, let the women weep, and the building go on.

You go about England now and see in all the parish churches, and in the cathedrals, and in St. Paul's, and here and there, fresh brass tablets, "Sacred to the Memory of Captain Henry Sanderson, late of His Majesty's —th Regiment, who fell gallantly fighting at Spion Kop," and the like. And every one of these is cemented and sealed and bathed in tears and blood. "Sacred to the memory of ——— ———, who died of enteric at Bloomfontein"—"who died of enteric at Cape Town"—"who died of enteric" somewhere else. It is a very ghastly showing. All young men, no doubt; bright, able, capable young men, or they would not be officers in the army; all laying their lives and the tribute of so much sorrow on this one altar of empire.

What was it all about, and what was gained by all these butcheries in the field, and these terrible death rolls in the enteric hospitals, and these so many homes of England made wretched? What was the harvest of so much sorrow? What good did it do?

Not long after that scene in Exeter I went up to London. We got news one morning of the triumphal entry into Pretoria. Before noon there were signs of a public demonstration, buildings blossoming with bunting, men ceasing to work, and people trooping idly along the streets. I had an errand to old St. Saviour's, Southwark. About three o'clock I started to return. With difficulty I made my way across London Bridge. The 'buses were already off the streets. No cab was in sight. The bridgeway was filled with a dense mob that shouted, shrieked, and danced in glee, tearing off one another's hats and coats, drinking from bottles, red-faced and mad-eyed and libidinous, beat-

ing one another with bunches of feathers, laughing immoderately at nothing, already more than half drunk, and dangerous. At the Middlesex end of the bridge I saw that further progress in the main thoroughfares was impossible; to the end of one's vision in any direction there was a sea of faces, packed in the streets where all vehicular traffic was abandoned; an insensate crowd howling with mad delight, and many already unable to care for themselves. I steered off to the left and threaded one side street after another, even then not wholly safe. At intervals I would have a glimpse of Cannon Street, Ludgate Hill, or Fleet Street, and could see something of the antics of the mob, and all the time went up the roar of a million voices. Sometimes a detachment of the celebrators would dash into a side street, seize a cab, hurl the driver to the pavement, and, climbing upon the vehicle, parade with it to and fro. If there were a passenger he might follow the cabman, or if he protested his clothes might be torn from him, or his face covered with filth.

The crowds and the furious merriment increased as night came on. All the way from London Bridge to Piccadilly Circus and beyond the streets were impassable. Men and women rolled in the gutter, helplessly drunk. Bottles passed from hand to hand in the crowd. Piccadilly Circus was jammed with people and deafening with uproar. Before long the fountain in the center was covered with the rags of clothes torn from persons that the mob had made the objects of its rough humor. There was little sleep anywhere in London that night; the noise resounded to the suburbs; it was estimated that a million persons were drunk.

Surely it must have been a great and marvelous triumph to call forth such great, if somewhat disorderly joy, and to be celebrated with such unusual and vehement enthusi-

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asm. The celebrators must have gained an enormous advantage, some important cause must have gone forward, the poor wretches that dwell in the slums of Stepney and Shoreditch must have perceived at last something of hope and the promise of release from their torments. They must have seen that in the conquest of Pretoria they had won something; their interests had in some way been at stake, and now they had triumphed.

How well founded such a view would be we can readily see if we review the history of this war, interesting in itself, and forever memorable as the perfect example of the origin of modern warfare.

Back of every government in the world (under the present system) is a power seldom seen but always at work, much stronger and more subtle than any government, a power that we usually recognize by the name of the Financial Interests. What we mean by that term is the great power of accumulated capital that resides in the world's leading banks. These banks necessarily exercise a potent influence upon the affairs of men, because they control the supply of money without which (under the present system) business is impossible. The men that manipulate this money supply find it a source of great profit, and as the profits increase their power also grows to make more profits.

A great part of this power of money control has for generations resided in England. Within the last thirty years it has seemed to the men possessing this control, and particularly to those in England, that their interests would be furthered if the world had a single monetary standard. They have, therefore, induced all the civilized nations, one after another, to demonetize silver and adopt gold as the one standard of value.

This greatly simplified the control of the money supply, and reduced it to comparatively few hands. It happened that with few exceptions the great gold fields of the world belonged to Great Britain or to the United States, and it was English and American bankers that were most concerned about securing the single monetary standard. Australia, New Zealand, British Columbia, British Honduras, British Guiana, Burma, were British territory; the gold fields of California, Nevada, Alaska, South Dakota, belonged to the United States. The world's supply of silver was widely distributed, and much of it was in regions where it could not easily be controlled, as in South America and Mexico, where the people had on historic occasions shown a resentment against European interference. But the gold supply lay largely in the countries I have named, and these were either British or American. When, therefore, the world went upon a gold basis it was obliged to come for its gold supply mainly to British or American sources, and of these the British were preponderating. To this there was one great and notable exception. The rich gold deposits of South Africa lay in the territory of the Transvaal, or South African Republic, although they were worked almost entirely with British capital.

There was another matter that was both a cause and a convenient excuse for the trouble that followed. The Transvaal was a country of the Boers, a religious, liberty-loving, and agricultural people that cared little for gold hunting and desired only their freedom and to possess their homes in peace. They looked with disfavor on the methods pursued by the British companies, and made laws strictly regulating the mining processes. These laws were regarded by the mine owners (who were financed and controlled by the Interests) as irksome because they re-

duced profits and interfered with dividends. The Republic sought to derive revenue from the gold that was being taken from its soil, and these exactions were a further source of annoyance to the companies. One tax was in the shape of the government ownership of the dynamite industry whereby the price of dynamite (an indispensable requisite in mining) was enhanced. The mine owners took the position that they ought to be allowed to buy their dynamite wherever they pleased. If a man in France, Austria, or Italy should assume a like attitude in regard to his purchases of tobacco, or should denounce the government of Italy, for instance, as an intolerable tyranny because it carried on the country's tobacco trade, he would be regarded as a kind of maniac; but a great part of the British press took very seriously the mine owners' protests against the Transvaal's dynamite monopoly.

A still more troublesome matter was the government's regulations in regard to labor, which were so drawn that Kaffirs (the lowest type of natives) could not be employed in the mines. This, as it effectually prevented any cheap labor and greatly increased the cost of mining while it decreased the dividends, was the mine owners' chief grievance, although it was the grievance of which for certain reasons they said the least in public. To explain why the Boers opposed cheap or Kaffir labor I should have to tell the story of the Kimberly mines, and the famous incident of "David's bones," which would lead us too far astray, and probably be unnecessary. Anyone that knows the horrors of Kimberly will readily understand what was also involved here.

The Financial Interests, therefore, had two reasons for desiring the Transvaal Republic to be abolished. The Republic was an outsider in the control of the gold supply,

and it made mining expensive to the companies that the Interests had financed. It was, of course, but natural that the Interests should force the hand of the British Government to work its will; natural, and not difficult. The same or similar Interests had never failed to coerce any government. In this instance, the first thing that the situation demanded was that the British people should be deceived and their minds inflamed against the Boers; for in England a government cannot usually last very long if it has not the support of the people. Accordingly, through the part of the press that the Interests directly controlled, the people were led to believe that the Boers were very ignorant, besotted, arrogant people, half savage, and intolerably oppressive of the British. Looking back now it is easy to see every step in these adroitly managed manœuvres, and the outcome is most natural and instructive.

In December, 1895, an adventurer named Jameson organized a band of his countrymen in a British territory adjoining the Transvaal and made a raid into the Republic, hoping to capture it. There is good reason to believe he was not acting without the connivance of his government, although ostensibly he was merely a filibuster. The Boers defeated Jameson and took him prisoner. Under the rules of nations they might justly have shot him. With great magnanimity they turned him over to Great Britain for trial and punishment. The proceedings were chiefly farcical. Jameson was, indeed, found guilty, but he was condemned to a merely nominal imprisonment, from which he was almost immediately released on a ridiculous pretense about his health.

This incident was made use of still further to incense the British mind against the Boers. It was represented that Jameson and his band had merely revolted against

a brutal and odious tyranny, that they had made a brave effort for the cause of freedom, and their exploit (however mean and shabby it may now look) was pictured as the brave but unfortunate effort of men sorely beset. Most of the world accepted this balderdash at its face value, with much more of the same sort. For instance, we were daily told that the British in the Transvaal were in the position of the revolting American Colonists under George the Third, that they were contending for the same high principle against similar odds, and that the friends of freedom everywhere should be on their side. No one need now be blamed for the conducting of this campaign of falsehoods, and no one for being deceived by it, since it is an inevitable incident of the present system, and the like of it exists, or may exist, in all parts of the world. The development of the organized news service has now reached such a stage that a single influence can sway or poison the minds of literally millions of readers around the world, and the editors of the very papers thus utilized may be as ignorant as their readers of the contaminated news they are printing. It is like a spring from which all the world daily drinks; one drop of poison in the fountain may infect myriads, and yet no eye behold the hand that manipulates the poison. Since the beginning of the world there has been no such power as this. A paragraph given this morning to the news agencies in London is read within twenty-four hours by millions upon millions of people residing in every civilized country on this globe and speaking every language. It goes successively through the European countries; it is translated into Portuguese and Finnish, Dutch, Turkish, and Russian; it is discussed to-morrow morning in the cafés of Madrid and the cafés of Odessa; it is printed in Cairo and Teheran; it goes

through Siberia to Vladivostok, and by way of Egypt to populous India. It is printed in Cingalese and Burmese; it goes through Australia and New Zealand; it reaches China, and is cried on the streets of Japanese cities. And just as the thought of that paragraph is framed myriads of people will think; they will get from it an opinion that may control destiny.

Who ordinarily sways this incomparable power? Here is a question well worth every man's pondering. Armies and battleships and forts are nothing compared with this dominion over the thought of civilized mankind. The mind that can sway this force is the emperor of the world. No other empire ever established or dreamed of is fit to be mentioned with this. Day by day it can make history what it will, inform the world or delude it, stop progress or accelerate it. And as to the hands in which it chiefly lies and the cause in which it is commonly exerted you can see very plainly from this chapter of history. From the beginning to the end of the incident the news sources were so cleverly controlled on behalf of the Interests that the sympathies of much of the world were perverted.

In 1899 the British government took up more seriously the so-called grievances of British residents in the Transvaal, and particularly the question of naturalization. At that time the naturalization of foreigners was achieved after nine years of residence, but any foreigner might be naturalized at any time if he performed a meritorious service for the Republic. The British demanded that the probationary term be shortened. In response, the Boers, who seem throughout the whole controversy to have borne themselves with singular patience, made many concessions. Nothing seemed to satisfy the British representatives and at last they demanded that British subjects in the Transvaal should

be admitted to the franchise without foreswearing their allegiance to Great Britain.

At this, of course, there was an end of negotiation. No government on earth could grant any such demand and retain its own existence. What was really asked was that the Transvaal government should surrender itself to Great Britain and sign its own death warrant. President Kruger said with memorable and pathetic dignity, "I see that nothing will satisfy you but the destruction of my country." Soon after the war began. None of the facts about the true nature of the negotiations was known to the world until long afterward.

The war continued three years. Its cost to Great Britain was one billion dollars in money, an appalling sacrifice of young lives, and a blow to her military prestige from which she has not yet recovered and may never recover. Although enormously outnumbered from the beginning the Boers fought with a courage and devotion that deservedly won them the world's praise. No more stirring spectacle was ever afforded of outnumbered men battling for their country; it was worthy of the Greeks at their best, of the Swiss when they stood forth against Austria, or of the Dutch against Philip the Second. In the end, when the Boers were reduced to guerilla bands in the mountains, the British confined the Boer women and children in reconcentrado camps similar to those established by Weyler in Cuba. Then the Boer men came in and surrendered.

It is rather odd to reflect that here in America we protested vehemently against reconcentrado camps in Cuba, but seemed to think reconcentrado camps in South Africa were quite admirable. Yet this is not the only point in our national conduct whereon we are judged harshly by the surviving Boers. If the statements made to me by

a former Boer leader have any truth, one of the strongest hopes on which the Boers based their cause was of the moral support of the United States. They argued, he said, that the United States was a republic, that its sympathies would naturally be with a sister republic oppressed by a monarchy, that the Americans had assisted the Cubans to win their liberty, and had previously helped many feeble nations struggling against heavy odds. They were amazed and bitterly hurt when they found that instead of assisting them the government of the United States actively helped Great Britain. It was of no use to tell him that popular sympathy in America was with the Boers; all he could recognize was the undeniable fact that officially America helped Great Britain. He said that at any moment between the pressing of the British demands and the surrender of Cronje a quiet word from the United States would have ended the contest and kept the Boer republic intact. The government of the United States had refused to say that word and the republic had been sacrificed. It was not from ignorance that the American government had adopted this policy; there was something else at work that the Boer envoys in America found an impassable barrier whenever they sought an official hearing, the same mysterious and subtle power that always defeated the resolutions of sympathy offered in Congress, and seemed to drive the government along a course wholly repugnant to American traditions and the will of the people.

This Boer leader dwelt at length upon the readiness of America to interfere in behalf of Cuba and its coöperation with Great Britain against the Boers as facts absolutely contradictory. He did not know that in the one case Capital, represented by American investments in Cuba and the interests of the Sugar Trust, happened to be on the side of

the Cubans, and in the other case, represented by the Moneyed Interests, it was wholly on the side of the British; and that in these instances, as in so many others, government in the hands of Capital was a puppet.

When all was over in South Africa the Transvaal and the Orange Free State were formally annexed to Great Britain. Then the mining companies, being made free to employ as much cheap labor as they pleased, imported great numbers of Chinese coolies and increased their dividends.

This was the victory that the people of London were celebrating; it was for the sake of those dividends that the young woman at Exeter was stricken down, for their sake that so many English homes were darkened, for their sake the enteric death lists, the graves on the veldt, and the burdens of debt that the English toilers must pay.

These facts, long concealed by the controlled or inspired press, began slowly to reach the popular intelligence. The armies of imported Chinese coolies on the Rand began to be a public scandal. People inquired where these obvious slaves were purchased, and why. Ugly questions were asked in Parliament; the news control could not prevent the situation from becoming apparent. When the masses of people anywhere understand any cause they never fail to do justice, and yet I cannot help thinking that the frankness and thoroughness with which the people of Great Britain acknowledged their error and the sweeping manner of its reparation did them infinitely more honor than any victory ever won by British arms. They made this war for cheap labor a direct issue, and drove it home without flinching. They hurled from power the men that had been responsible for this chapter of shame, they insisted upon

a sharp reversal of policy in South Africa, they elected thirty-one Socialists to Parliament, and they installed the most radical government their country has ever had, and one whose achievements for the poorest part of the community are likely to set examples to the world.

But no change of parties or administrations could abolish the evil fruits of that contest. "Consequences are unpitying." On the additional public debt the workers continue to pay the interest, and will continue to pay it, this year, next year, all the years of their lives. Their children will pay it after them, and their children's children. They will pay it many times over, and in many ways, that billion dollars it cost to augment the mine owners' dividends, cheapen labor in South Africa, and complete the control by the Interests of the world's gold supply. With their labor and sweat the workingmen of Great Britain will pay for a war the object of which was to cheapen labor. The men that got the enhanced dividends and the men that got the control of the gold supply did not pay for the war. The workingmen paid for all of it. That was what they were cheering about that night in London. Some of the workingmen went to the Transvaal and took active part in the war, and were shot, or died of enteric fever, in order that labor might be cheapened and dividends increased. They left their wives and children to give up their lives in that cause. And that is what their brethren were cheering about.

This is what war is in these times, and this is why at such ruinous cost we maintain armaments and build battleships. The workingmen pay for all. No workingmen of one country ever want to make war on the workingmen of another country. If let alone the workingmen of one country would be glad to have the workingmen of another

country live in peace and be happy. It is always the capitalists that make war and involve nations in quarrels. Then they drive or induce the workingmen to go up to the firing line and kill, or be killed, until the war is decided; whereupon the cost of it is presented for the surviving workingmen to pay.

In order to prevent workingmen from perceiving the huge folly of this arrangement, it is customary to arouse periodical spasms of patriotic fervor, to picture the German Emperor as about to descend upon England, or the Czar about to capture India, or Japan about to hurl her hosts against the United States. The outcome of each of these spasms is an increased expenditure for armament and battleships, which the workingmen must pay. And all the time the fact is perfectly apparent to any observation that the German Emperor will not descend upon England except with German workingmen, and the Czar will not capture India without Russian workingmen, and the only hosts that Japan can hurl against the United States are composed of Japanese workingmen. And if any of these improbable events should happen, the invading armies of workingmen would be met by other armies of workingmen, the blood that would drench the earth would be the blood of workingmen, the widows and orphans that would be made would be chiefly the widows and orphans of workingmen, the limbs that would be amputated in the field hospitals would be chiefly the limbs of workingmen. So that unless the workingmen can be deceived and inflamed against one another, unless they can be made in some way to think that they have some interest in these international brawls there will be no war. But as a matter of fact, the workingmen cannot have the slightest interest or concern in such conflicts, they never gain aught from them except heavier

burdens and a more wretched condition; in no conceivable respect is the war any concern of theirs, but only the concern of the capitalists, as it was in South Africa, and as it is or yesterday it was in Morocco.

Day after day we read of the battles between the Spanish troops and the Moroccans; about the desperate valor of the Spanish, the dead and wounded they count, or about the sufferings of the troops in the field. What is it all about? Why are all these men engaged in killing one another? Not one hint of the real cause is allowed to be made public; the news vouchsafed to the world is that it is a quarrel growing out of the attempt of Spain to police Morocco, in accordance with the international agreement of 1905. The real cause, perfectly well known behind the scenes in every European capital, is that the Interests of Spain have made certain investments in Morocco; they seek those profits and returns that under the present system of the world we have decreed for investments; the native rulers stand in the way of these profits. Hence the Interests compel the Spanish government to make war upon the native rulers, and thousands of Spanish workingmen are sent off to perish in the desert. What concern is it of theirs? Why should they give up their lives?

Their brethren in Spain begin to ask this question; their widows ask it, when the news comes that they are dead. The people resent the sacrifices they are making for the Interests; they rise against the government that has thus betrayed them. Then the government places guns in the square of Barcelona and by the thousand mows down the workingmen and workingwomen. This happens in 1909, and when the revolting people have been killed, imprisoned, or overawed, the governments of some other countries are

manifestly relieved, and the war in Morocco is prosecuted with renewed vigor.

All with workingmen; these things are always done with and at the expense of workingmen. The capitalists that make the wars never take part in them, and never pay for them; the working classes that are fooled into going forth to shoot at one another are also fooled into paying all the bills of the shooting. Some day, it is to be supposed, the workingmen will weary of being fooled and being shot at. Then they will put an end to these pleasant games. The way that they will end them is by ending the system of which the games are an integral and inseparable part.

For at all times, and in all places, and under all conditions, Capitalism is War.

CHAPTER IX

A NOTE ABOUT POVERTY

I HAVE enough to eat, enough to wear, enough of light and fresh air, something of recreation, something of leisure. All the persons in my street, and almost all the persons that I see about me day after day, have enough to eat, enough to wear, and are comfortably housed. I go through a residence street from my place of abode to the places where I transact business or seek amusement, and then from the places where I seek amusement or transact business to my place of abode, and all the persons I meet seem to have enough to eat, enough to wear, enough of light and fresh air, and to be physically comfortable. Year in and year out, unless I go to seek them, I shall see practically no persons that do not have enough to eat, enough to wear, and are not comfortably housed; for so is the world arranged. If by any rare chance one gaunt face or ill-nourished form crosses my path I may tell myself that this person is intemperate, or improvident, or of ill-life. I may say so with reasonable assurance, because I and all others in my walk of life are repeatedly assured by persons of some experience that this is the case. I am assured, for instance, that if there are any beggars in the world, they are beggars by choice, and not necessity; if any men have not labor, it is their own fault, since there is work enough for all; that if in odd and unvisited corners destitution may lurk, this is no concern of mine, nor of

any others like me, but merely a condition the destitute have brought upon themselves. In this fair land of ours opportunity is equal for all; if a man be smart and alert, he shall win a competence; if he be not smart and alert, his defects be upon his own head; we that are smart and alert have no responsibility for him. This is a beautiful world, and most things are now arranged as they ought to be; whatever slight changes may be needed will be provided as we go along by the wise and the good, to whom we shall commit our affairs.

Something to this effect echoes about us at all times, as we walk to and fro in pleasant places. And yet, the truth is that the world, as at present constituted, is a pleasant or even a tolerable place for only the minority of the persons that live in it. Poverty and insufficiency are so common that they may be said to be the rule, and sufficiency the exception. We are slow to admit this, because the poverty is crowded out of the path of the fortunate, who monopolize all the newspapers and most of the books, and other means of knowledge, with information or literature for and about themselves; so that unless we go forth to seek the truth about the state of the earth's children we shall never find it. We may indeed, and probably shall, live out our days in the midst of the truth and never suspect it. Not one in one thousand of fortunate New Yorkers has the slightest conception of the amount of poverty in New York. The typical well-fed New Yorker has no reason to know it. He never sees it. From one year's end to another he has no occasion to go near it. Wherever he has occasion to go are well-fed and comfortable people. He inevitably absorbs the impression that most persons must be well-fed and comfortable. He hears from time to time of the great

East Side, and of poor people there. He never has the least occasion to mingle with such people. If in all his life he has visited the East Side it has been as a slumming excursion or a lark, and then the people did not seem to him very poor, or very miserable. Of their actual lives or actual condition he has not the vaguest conception. In point of fact, the people of Egypt or of Greece are much more real to him, and it never occurs to him that the sufficiency he daily sees about him is only a thin strand, beaten on all sides by a great sea of poverty.

How many of the well-fed and the well-to-do of London have any knowledge of the conditions of life as it really exists in their city? They go to and fro as the typical New Yorker goes, in the comfortable belief that their class and the other well-fed classes are the majority, and if there are any poor persons they must be few. What is still more remarkable, the tourists and persons that for a time at least make a business of seeing what is to be seen, almost never see life in the mass as it really is. How many American tourists that think and say they know London well, know anything about the poorer regions and the vast East End, in point of population the most important of the city? Year after year, Piccadilly and Regent Street, the Strand and Pall Mall, the theaters, the music halls, the art galleries, and the great shops are the scenery of their daily drama, until they know all these quite well, and London means to them a place of perfectly familiar resort. Yet of the real London, of the swarms of unhappy people that fill mile after mile of the area of the world's metropolis, they know nothing. They have had no occasion to know it. Where their path leads there is no sign of it.

Thus the members of the fortunate class live, as it were, within a walled city, practically unaware of the regions

beyond, busy with news of their own class, believing their class to be all that is important in the world. These talk much, for example, about general prosperity, and the general welfare; what they really mean by these phrases is the prosperity and welfare of those that dwell within the walled city. When what are called "times" are good, and business is prosperous, the dwellers in the walled city are the happier, and possess themselves of the greater luxuries. When "times" are not good, the dwellers in the walled city are the less happy, and possess themselves of the fewer luxuries. That "times" may be good for them is the object of legislation and governmental anxiety all about the world. Whatever may be the pretense about the matter, the overwhelming majority of men are practically unaffected by the dreaded thing we call "business depression." True, in this vast sea of insufficiency, many men, in a period of such depression, will be deprived of work, and their misery and the misery of their families will be increased; true, in such periods the minority that has sufficiency will be called upon to relieve the necessities of a part of the majority that has insufficiency; soup kitchens will be established, and many charitable enterprises will be inaugurated. But all this means only a relative condition. In times of business depression most of the majority of insufficiency manage to live; not many of them starve to death; and not much more can be said of them in times of business prosperity. At any time, and at all times, they do but manage to live; in the best of times they fall short of some necessities and all the luxuries of life, and in the worst of times their way of life shows that most of the people are either poor or very poor, and the rich, and even the well-to-do, are a small minority.

Rich and poor are, of course, somewhat indefinite terms,

and it may be thought that this indefiniteness covers some escape from the appalling significance of these facts. Let us understand, then, that by very poor we mean here, first, all persons that are in actual want, those that must be relieved by others, and those that, when they rise in the morning, have no assurance of their day's sustenance; and, second, the larger class whose sustenance each day depends upon their day's employment, and who live, therefore, divided from imminent hunger by the thin line of one day's earnings. By poor we mean those that, if they were deprived of their daily employment, could still for a short time sustain life. By the well-to-do we mean those that have accumulated competences at least sufficient for their actual support. The rich are those that have fortunes and incomes beyond their daily necessities. It appears, then, that on this reasonable classification poverty is so general in the United States that even in what are called "good times" more than one-tenth of the population is on the starvation line, or below it.

I have seldom mentioned these facts to any member of the well-to-do class without eliciting expressions of incredulity, and yet, that there are in this country at least 10,000,000 persons in direst poverty, is a conclusion forced upon every person that contemplates the statistics. In the year 1900, a year of great prosperity (so-called), there were more than 2,000,000 persons recorded as out of work, a fact that alone should be conclusive of the estimate here given. Mr. John Graham Brooks in his book, "The Social Unrest," says that of the 12,500,000 families in the United States, 125,000 families are rich, having each an average wealth of $263,040; 1,362,500 families are fairly well off, having each an average wealth of $14,180; 4,762,500 families are poor, having each an average wealth of $1,639,

and 6,250,000 families are very poor, having no wealth at all. No one has ever succeeded in attracting to these figures the least attention from the well-to-do, and yet they are figures of a stupendous import, even to the most complacent and the dullest. If 6,250,000 families in the United States, being one-half of all the families, are so poor that they have no wealth, by what possible right do we refer to this as a prosperous or happy country? And if these vast masses that have no wealth are steadily increasing in numbers as the present system continues its unequal distribution of the products of industry, how long is it conceivable that we can continue in security to traverse this downward road?

We have still more to consider on this subject. Summarizing the situation by percentages, it appears that so appallingly unequal is the distribution of wealth in our country that one per cent. of the people own 55 per cent. of the wealth, ten per cent. of the people own 32 per cent. of the wealth, 38 per cent. of the people own 13 per cent. of the wealth, and the remainder of the people own no wealth at all. And Mr. Charles B. Spahr contemplating this matter from a slightly different point of view, concludes that seven-eighths of the families in the United States own only one-eighth of the wealth of the country, and one per cent. of the families have more wealth than the remaining ninety-nine per cent. Years ago, on the basis of the census of 1890, Mr. George K. Holmes estimated that three-tenths of one per cent. of the families in the United States owned 20 per cent. of the total wealth of the country. If this was the case in 1890, the disproportion must be much greater now, because the process of unequal distribution has been much advanced in the last twenty years.

A Note About Poverty

According to the census of 1900, less than one-half of all the families in the United States own the homes they live in. In New York, 94 per cent. of the families rent their homes, in Chicago 75 per cent., in smaller cities like Fall River and Holyoke, Mass., from 80 to 82 per cent. Mr. Robert Hunter, for many years a settlement worker, estimates that 99 per cent. of the wage earners in the larger cities are without property, and that a very large majority are in debt.

Years ago, Mr. Jacob Riis pointed out the astounding fact that one person in ten that died in New York City was buried in the Potter's Field. In eight years, as Mr. Riis showed from the records, 135,595 families in New York City (Manhattan and the Bronx only) were registered as asking for or receiving charity. These families represented a number of persons equal to almost one-third of the total population of the city. The Tenement House Commission of 1900 found facts that corroborated all of Mr. Riis's conclusions. A map of the city was prepared for this Commission, with dots showing the tenement houses from which in five years families had applied for charity, each dot representing five families that had so applied. The result seemed beyond belief. Many of the tenement houses were black with dots, and there was hardly one in the whole city that was not dotted.

Further light on the same situation is obtained from the statistics about wages. It appears that the average wages of unskilled laborers in the United States is less than $400 a year. In some parts of the country it is $300, or even less. The average earnings of cotton mill operatives (in the South) is less than $250 a year; of anthracite coal mine workers, less than $500 a year; of 50

per cent. of the unskilled labor in shoe factories, less than $300 a year.

Evidently, then, nothing can be more fallacious than the continual assumption from the platform and in the newspapers that this is a country of general prosperity. Instead of being a country of general prosperity it is evidently a country of general poverty, and unless we can assume that the only purpose of organized society is to provide for the welfare of one-tenth of the population, there can be no escape from the conclusion that there is something radically wrong in this situation. Or, if there be any such escape I shall be gratified to have it called to my attention, either by a champion of the glorious spirit of optimism, or otherwise.

If, then, in this country that is reputed to be more than ordinarily rich and prosperous, something like one-half of the people live from hand to mouth, and in conditions of practical destitution (conditions, that is, wherein their supplies of the natural necessities of food, sunlight, air, and rest are precarious or inadequate), what shall we conclude to be the conditions in less favored countries? In countries, let us say, where the process of degrading the masses, which always keeps pace (in the present organization of society) with any country's settlement and development, has gone farther than it has yet gone in the United States? The present fundamental system of society is new in North America; it can be said to have existed here hardly two hundred years. Yet the proportion of poor to rich has increased year after year. In the beginning of the system on this continent there was scarcely any perceptible division into rich and poor; now at least three-fourths of the people are to be classed as poor, or very poor. In other countries, where the same system has

existed longer, the proportion of the poor is relatively even larger, and the depth of the poverty is even greater; and we find that, as a general rule, the longer the system has been in uninterrupted working, the larger is the body of the poor and the greater their poverty. To see how this is without reciting a tiresome list of illustrations, we need but compare India, where the system has existed without interruption for at least twenty centuries, with the United States, where it has existed only two. And if we desire to apprehend something of the actual amount of poverty in the world, we should remember the poorer quarters of an American city, and then the similar quarters in London, Hamburg, Naples, or other capitals in Europe; we should think of the toiling peasants and artisans of Europe, and then, turning to the East, reflect that of the people of Egypt, the 300,000,000 of India, and the 400,000,000 of China, the vast majority dwell in the utmost destitution and physical discomfort, and a very large number have never known what it is to have even enough to eat.

It will be found exceedingly difficult to reconcile these facts with any conception of right or natural justice.

Yet all this time it is obvious that the earth yields enough for the ample support and comfort of all. Nothing can be more certain than that the fruits of the earth are sufficient for the children of the earth. Here on this earth are for all enough of light and air, enough of room, enough of labor, and enough of rest; the bountiful earth yields enough of food. If anywhere men have less of the fruits of the earth than they need, this can only be because of some perversion of natural conditions.

It appears, further, that in this vast class that we have called the majority of insufficiency are included all the

persons that create wealth, and practically all the persons that bear the burdens of the community, and here again are highly abnormal conditions. Thus, the men that with the labor of their hands create wealth, do not possess the wealth that they create, but this wealth is possessed by others that did not create it. And all taxes levied for the support of the state are eventually paid by these same men that labor with their hands, notwithstanding that their means are invariably much smaller than the means of more fortunate men, able to shift from their shoulders the burden of taxation.

Therefore, those that have the least of means bear such disproportionate burdens that, except in very rare instances, they have no chance to be anything but poor; and this remains perfectly true, both in principle and practice, no matter what vaporings we may choose to utter in regard to an equal chance for all.

Here, again, is a condition that will seem infinitely repugnant to the just mind.

The simple fact that at present all taxes are eventually paid by the man that labors with his hands, although one of the most obvious facts in existence, has, I believe, escaped the attention of some persons. It will become perfectly clear if we follow any present form of taxation from the man that pays the tax into the tax office back to the man or men from whom this taxpayer gets the money to pay the tax, and so from landlord to tenant, from grocer to purchaser, from one purchaser to another, until we come at last to the man that toils with his hands and creates wealth, beyond whom there is nobody to whom the tax can be passed.

It it customary to defend all these rank injustices or to huddle them out of sight by saying that inequalities of

condition are ordained for us; that they are inevitable and incurable, pertaining always to man's life on the earth. This is an argument that never appealed much to me after I had visited the places on the earth where these inequalities had been successfully minimized.

But first, I desire to go farther into the fundamental basis of the difference between one man's material condition and another's.

I sat one day in the pretty little garden of the Kursaal at Lugano. The tables set in the shade of the trees were surrounded by well-dressed, well-fed, and happy people, who were drinking cooling drinks, eating ices, and conversing joyously. The orchestra was playing Rossini's Stabat Mater. Outside, the roadway was dusty, hot, and glaringly white. An Italian laborer came by. He put down the bundle he was carrying, and pressed his face between the iron bars of the fence while he listened. It was a very good face, albeit so reddened by the sun, and from the expression it bore one could see easily that the man appreciated and understood the music he was hearing; he had manifest delight in the sound, he followed with his own thoughts the thought of the composer, which is more than could be said of nine-tenths of the well-dressed persons within the garden. Yet between his face and their faces was a difference that went far beyond the fact that he was sunburnt and they were not. His face was scored and carved deep with the marks of heavy toil, and their faces were not; his eyes had a certain look of perpetual fear, and their eyes had not. The sun shone clear upon him as he stood there with his wistful and infinitely pathetic face hard pressed between the bars, and every record of incessant and hopeless toil, and of the terror that haunted him day and night, stood out like legible words.

I know nothing about the man's way of life; I never saw him again. But suppose, as there is every reason to believe, he was engaged in useful work, in some form of activity that added to the world's store of the things it needs, that helped to produce food or to provide shelter or to transport products. Evidently that was more than could be said of nine-tenths of us that sat at ease and care free under the trees, drinking cooling drinks, and watching the shadows on the mountains.

Exactly what is the reason that we should sit there in comfort, and he, covered with dust and maimed with toil, should stand outside with his eager face hard pressed against the bars?

Again, you may stand in the Tiergarten in Berlin, and here roll by the handsome carriages with jingling harness and liveried footmen. Very comfortable people lounge on the cushions. The women have diamonds and costly dresses; the men have white soft hands. At one side of the park is a long line of costly palaces, each occupied by some fortunate man that belongs to the minority of sufficiency. They are built of stone brought at great expense from another region; they are inhabited by persons that waste and destroy more than they consume, that cannot possibly expend their incomes, that are overloaded and embarrassed with the surplus of the earth's fruits they have seized for themselves. And on the river there is a barge going slowly by. A man takes a long pole to the bow and drives it down to the bottom of the river, and sets his shoulder to the end. Then he struggles slowly toward the stern, pushing with all his strength upon the pole. On the deck of the barge, inside the gunwale, are crosswise cleats upon which he clings with his feet as he pushes. He crawls slowly along, bent far over, his head below his knees.

The weight of the barge pushes his body out of normal shape, he looks like nothing human as he pants along, his head hanging down, his mouth open, his tongue hanging out like a dog's. So, inch by inch, he fights his way to the stern. There he takes his pole from the river and moves forward to the bow again. And you see how his toil has distorted his face and twisted his body, and you look at him and wince. And he takes his pole and limps back to the bow. The birds are singing in the garden, the trees are handsome in the sun, there are vistas down the avenues, somewhere a band is playing. Evidently he sees none of these things and hears none. Birds and green grass and the blessed sun mean nothing to him. Brutal toil has obliterated the sense of them. The handsome carriages go by, full of laughing people; a Prussian officer, brilliantly dressed, rides down the bridle path. You stand there and look at these, and look at the man, bent over his pole, clinging and struggling from cleat to cleat, his head below his knees, his tongue hanging out like a dog's. You reflect that he is still a man, and you wince.

Exactly what is the reason that I sit at ease in a carriage in the Tiergarten and he wrenches his body on a barge on the Spree? I know that this contrast is typical of universal conditions, that it is the custom and rule of Society; but when all is said, exactly why should it exist?

In a general way, and speaking here of types and not specifically, or personally, I am told that the reason for this difference and the reason why it is right that I should have ease and he should have only toil, is some difference between his mind and mine. I am capable, he is not; I am smart, he is not; I am efficient, he is inefficient. Therefore, his inefficiency is justly punished with toil and misery, and my efficiency is justly rewarded with ease and comfort.

This is a theory immensely pleasing to my vanity. I like to hear people say it. I like, so far as I can, to delude myself into thinking that there really is some superior quality in the poor little modicum of mind that I possess. It pleases me to have people say that I have won by merit what success I have been able to achieve. And yet, I know perfectly well, and in moments of fair introspection I cannot conceal from myself the fact, that the successes I have won, so far as I have won any, have, without exception, resulted from circumstance and not from any effort or merit or quality of my own, and that in every critical moment of my life the event has been decided by environment, by conditions, and by facts entirely beyond my control. I come to this conclusion very reluctantly—the other is so much more the gratifying and delightful supposition—but I am irresistibly driven in upon it, not only by reflections concerning my own career, but by intimate recollections of what I have observed of other men; for example, of the men the world calls great. It has been my fortune to be able to observe closely and under widely different conditions many such men, and I am obliged to say that in all circumstances of action and inaction, they have been different in no way from the men that the world esteems not great. No observer could detect any difference between the operations of their minds and the operations of the minds of inferior men. The great men have been as much puzzled in emergencies, and (to one behind the scenes) as much the prey and sport of circumstance as the rest of us, and, it having been my privilege to observe some great actions in the doing, I am further obliged to say that none of these seemed to be anything but the product of blind and irresistible chance. Of the able men that I have known

the successful ventures have been clearly fortuitous, and I have yet to observe one instance of man commanding circumstance.

If, then, it is not really a difference in merit that accounts for the difference between the man pushing the boat and the man at ease in the carriage, by what possible right does the man in the carriage sit still and accept of his good fortune in the face of the other man's misery?

Furthermore, if this difference really exists between the essential mental qualifications of those that we call the able and those that we call the unable, it can exist only in one of two ways. Either the brains of the able must be different in texture, substance, or size from the brains of the unable (a fact for which it will be admitted the able cannot possibly claim credit, since it is beyond their control), or the difference in the mentalities must result from a difference of training, educational opportunity, advantage of schooling and preparation.

But so far scientific research carried on by many zealous and careful investigators has failed utterly to detect any such differences in texture, structure, or size between the brains of the able and the brains of the unable, as would afford a basis for the first conclusion. The brains of men held to be the ablest have sometimes been found on post-mortem examination to be smaller in size than the brains of some illiterates, or the brains of those notoriously unable; nor has anything been detected in regard even to cellular arrangement that would afford a basis for a belief that what are called the able are from the beginning gifted with different brains from those that are called the unable.

Therefore, this part of the theory seems wholly un-

tenable. But if, then, the difference between the successful and the inefficient, between the man in the boat and me, is only a matter of training, education, preparation, opportunity, how does that justify me in accepting the situation? If the man in the boat had been as well trained as I have been he would be in the same situation of comparative ease and comfort—or better. That he is not in such a condition, that his life consists only of frightful toil and destitution, that his horizon is narrow, that the birds, the sunlight, grass, trees, flowers, the joys of the earth mean nothing to him, that his existence is only day upon day of darkness and misery, is due to the fact that he has been deprived of privileges that I possessed. But he is exactly as much the child of the earth as I am. He is in all respects man as I am. His blood is of the same color, his body is made of the same elements, he is susceptible to the same emotions of joy and sorrow, he was born into the world with the same capacity for pleasure and pain, he will go the same way back to earth again. Unless I am to wallow in a mire of selfishness; unless by incessant suggestion I am to indurate my mind to every claim of kindness, sympathy, and justice, by which process it will become equally proof against all pleasures that are not solely bestial; I must be driven irresistibly to protest against the conditions that without a shadow of justice have deprived this, my brother, of the training and opportunities that have won me the degree of comfort I enjoy.

It is true that if I wish I may close my eyes to the certain justice of these reflections, as I may close them to my brother struggling in the boat, or to my brethren that in every corner of the world toil and suffer equally with him. But this is a choice that in every instance will bring its penalty. By exactly so much as I am indifferent to

these my brethren, by so much I have robbed and darkened my own life.

Yet even this is not all the significance pertaining to the fact that the majority of mankind are essentially in the condition of the man pushing the boat. Besides the individual penalty always exacted of the man that shuts his eyes and hardens his heart to the condition of his brother, there is a fearful penalty exacted of the nation that tolerates poverty. While this government by and for the prosperous goes its way everywhere in the world, intent upon maintaining and securing the welfare of the fortunate, poverty, too, goes on, undermining (unobserved, but incessantly), the physical stamina of the nation. For, contrary to what seems to be the universal view of government, the strength of a nation does not lie in its fortunate inhabitants, but always and solely in those that toil with their hands. As the toilers bear all the burden of taxation, so also from the toilers is recruited the national army, and from the toilers come, as a rule, the inventions, the ideas, and the motives toward progress that have made for national success. If now this great mass of toiling men in any nation is ill-housed, ill-fed, dwelling without sufficient light and air, without sufficient rest and recreation, if it inhabits overcrowded regions, if it lives in badly ventilated houses, dark and damp, if it is overwhelmed and dragged down by the necessity that compels debasing and imbruting toil, the strength and stamina of the nation that tolerates these conditions are eaten out. No matter how fair the outside of such a nation may be, at the touch of an emergency the structure collapses like rotten wood.

Great Britain offers to the world a powerful example of these truths. Formerly an agricultural country, when the sturdiness of its yeomanry was proverbial, Great Britain

became, with the development of machinery, and especially since the corn laws were abolished, a great manufacturing country. Manufacturing drew the people into the cities, where, partly because of the antique land laws and partly because of the national neglect, they were terribly overcrowded and masses of them lived in insufficiency of the primal necessities. Philanthropists and investigators repeatedly sought to draw attention to the certain results of such overcrowding and general poverty as existed in the frightful regions of London called Stepney and Whitechapel, and in similar regions in Manchester, Liverpool, Birmingham, and other great cities. No heed was paid to these warnings; year after year the populations in the slums were allowed to pile up, while the average standard of living declined. After two generations of such conditions the Boer War burst upon the country. Recruits were necessary for the army, and when these were sought in the great cities the amazing discovery was made that there was practically no material for army making. Although the physical standards were lowered, the numbers of young men that could pass the examination were very small. In Manchester, of 11,000 men that offered themselves for enlistment, nearly 10,000 were necessarily rejected for physical defects, and the percentage of rejections, as recruiting work progressed, became so great that for reasons of national security it was thought well not to make public the actual figures.

But enough was known to set on foot public and private investigation of the state of the poor in British cities, and to cause general alarm for the future. Much that was discovered was calculated to startle complacency. Thus, for instance, it was learned that there was a steady and terrifying increase of congenital insanity and imbecility re-

ported among the children in the vast city slums; that on medical examination in the schools of the region about 80 per cent. of the children were found to be physically defective; that for children in the schools to faint for lack of food was so common that the teachers were quite accustomed to the sight; that little children, and often adults, were to be seen picking and devouring garbage and fruit rinds from the gutters; that many thousands of persons were without even a cellar or an attic to shelter them and nightly slept in archways, doorways, and the streets; that the annual number of suicides in the East End reached to very distressing figures; that constitutional diseases, rickets, tuberculosis, influenza, and spinal complaints were very common, and the prevalence of tuberculosis, in particular, amounted to a grave menace to public health elsewhere; that in average stature and average intelligence, as in average health, the people of the slums showed a reversionary progress; that the typical slum dweller was incapable mentally and defective physically; that both the extent of the area thus affected and its population were much larger than had been suspected, even by those that had given heed to the subject; that in the city of London alone, 1,800,000 people live on the line of extreme poverty or below it, and still another million have between them and deadly want nothing but the scanty wages of a week, while there are something like 125,000 registered paupers and one person in every four is buried at public expense. What kind of an Inferno is this to thrust into our faces as the ripe fruit of modern civilization? In the East End of London 55 per cent. of the children die before they are five years old; fifty of every hundred die in their first year, and the coroners down there hold something like 600 inquests a year on infants that have been smothered by

their mothers. Is there any horror recorded of war that compares with this? Of the population of London 1,800,000 belong to families that have a total income of less than $5.25 a week. There are 300,000 people in the families that live in one room each—one room to each family, and in that room seven, eight, nine, perhaps a dozen persons, sleeping on the floor, cooking, and eating, and calling the place "home."

With this appalling region I early became (almost against my will) fairly familiar. The first time I went to London, about sixteen years ago, I was on a newspaper's errand, and nothing was farther from my thought than that I should take the trouble to go into the East End. I knew in a vague general way that there was a great deal of poverty in London; my father had often told me of his observations there, but I am sorry and ashamed to say that I hardly listened to him. I had the point of view perfectly characteristic of the well-fed American: I could not see how poverty in London concerned me. If there were any poor, they were probably poor because they got drunk or otherwise misbehaved, and if they would keep sober and be good they would not be poor. Anyway, why bother? And then I went to London, and circumstances led me down to the East End, where I stood and peered over the edge of perdition, and into my dull head was slowly pounded the fact that poverty in London and poverty everywhere directly concern every man upon the earth.

It was this way: on the first morning I went, in pursuit of my newspaper errand, to Leicester Square, and was amazed to find there the benches filled and the railings lined with swarms of the most forlorn, hopeless, gaunt, and wretched human beings I had ever seen; men so

wretched, in fact, that, in some way that I cannot well describe, they struck me as inhuman and weird. They were merely so many specimens from the submerged tenth, the lowest stratum of organized society, and afterwards they became so common a sight that I wholly ceased to be shocked; but on that morning it was all new and horrible. I had known tramps and vagabonds of all kinds, but there was something very different here, and after a time I perceived wherein lay the difference. These faces were the faces of men that in all their lives had never once known hope. That was the difference.

While I stood there I saw one of the breed, a young man, with a face of deadly pallor and half-closed eyes, fall in the street from weakness, and when he staggered to his feet I saw a great hulking policeman knock him down twice (for being in the way, I suppose), and finally push him, tottering, out of sight around the corner. I learned to my further amazement that this young man was not drunk nor sick, but only starving. Just as I learned that a woman somewhere behind me laughed. There was something so discordant and incongruous in laughter just then that I turned sharply around. The square lay before me, filled with carriages, the gaudy music halls on one side, bright showy store windows on the other. Happy men and women went lightly along the sidewalks, and there were handsome equipages about. In front of one of the stores was a black chariot, with beautiful horses in shining silver harness, a footman and a driver in handsome livery. Behind it was the woman that had laughed. She was sitting in a carriage with a man. Both were very handsomely dressed; the woman I remember had some kind of silk or satin parasol with much lace upon it, and my companion told

me that the lace was of some rare and costly kind that I have forgotten. She had diamonds at her throat, and she looked very happy. She was not laughing at the starving men, though she might as well have been; she was laughing at something the man had said. But somehow in the midst of that scene, with two or three hundred human wrecks drawing agonized breaths about her, and this one man starving almost before her eyes, the sound of her laughter made unspeakable discord, and her smiling face was the most incongruous thing I had ever seen.

I had never before had the fact of starvation thrust thus upon me; it was, of course, inevitable that, coming thus to the notice of an old reporter, I should make inquiries about so strange a matter. The inquiries led me to the region whence that young man had emerged, and where in misery as black as his, under the shadow of a fate the most awful that can be conceived for men and women, dwelt a million brothers and sisters of mine. I stood on the edge of that pit and looked down, and once there, naturally I could not well leave a phase of life so strange, so grotesque, and forming such an instructive commentary upon us and all our ways until I had learned more about it.

Of the truly appalling facts that came within my knowledge I need here give but one example. It is a case that was under my own observation. A family of nine persons dwelt in a cellar in Stepney; a cellar of one room, about fourteen feet square. All the light and all the air that came into that cellar entered through a grating in the sidewalk. By day a carpenter used the cellar for a workshop; to get light enough to do his work he had his bench directly under the grating. The place was dark and foully dank; the only furniture (if by the straining of speech these things could be called furniture) consisted of

a collection of filthy rags for a bed and an iron pot in which the wretched denizens cooked food, if by chance they could come upon any. Water dripped from the walls, the odor of the place was almost insupportable; and yet nine persons had it for their abode. The children slept on the carpenter's shavings; the parents on the pile of rags. And above this pit of misery was, if you will believe me, a school. It was not a rare instance as you might think; there are other places as bad. This one came to light because the mother had smothered one of the babies and was dragged into court, and the police described what they had found. No doubt it was terrible for the mother to smother the baby, but looking upon the wan faces, shrunken forms, listless eyes, and bestial expressions of those that survived one would be hard put to say that the dead baby was not the better off—in this city of London, capital of civilization, A. D. 1894. Amen!

And yet, if you say to me that these people are so made that they are incapable of anything else, that they are naturally incapable and inept, that they are not the products of this system of yours but persons afflicted by the will of God with inferior brains and weaker spirits, I ask you to explain the record of the Dr. Barnardo enterprise. Here is an organization that takes these children from the sub-cellars and the loathsome attics and carries them beyond the seas to new countries, where they have fresh air and sunlight, and enough to eat, and 95 per cent. of them become good, healthful, intelligent men and women. Where, then, rests the blame for this hell, so far beyond all the hells ever conceived by theology? Day after day these millions go slipping down the precipice, children are murdered, lives are led without sufficiency or comfort, with-

out one glimpse of joy or hope. And at the other end of London men and women live in idle splendor and luxury, and with all their waste and profusion cannot spend their incomes. If there be any justification for this situation I should be gratified to learn of it.

Yet London is but the epitome of England, and England of the world. What you see in Stepney and Whitechapel you may see in Bristol, Manchester, Leeds, and even in the ancient and quiet city of York. Mr. London * tells us that of every 1,000 persons in Great Britain 939 die in poverty; there 8,000,000 "simply struggle on the ragged edge of starvation, and 20,000,000 more are not comfortable in the simple and clean sense of the word." In the course of years of observation of conditions in London and elsewhere in Great Britain, I have found everything to confirm and nothing to refute Mr. London's conclusions. Total population of the country, 42,000,000, and this is the state of 28,000,000 of those 42,000,000 in the country that is empress of the world and leader of civilization. Then I hold with Wendell Phillips that this kind of civilization did not come from above, but from below, and the sooner it goes down the better. And if I seem to write about this with bitterness I can only say that earnestly I hope I do. A man that could spend some days in the East End of London and write of it without bitterness has powers of self-control I can never hope to emulate. And if you think I am in any way extreme or extravagant about it, I summon as witness a scientist noted for his cool and judicial temperament, the late Professor Huxley, who was himself once a medical officer in the East End, and he says, "were the alternative presented

* In "The People of the Abyss."

to me, I would deliberately prefer the life of the savage to that of those people of Christian London."

To combat this national enemy within, far more menacing than any foreign foe, many reforms were advocated. The London County Council, one of the ablest legislative bodies in the world, undertook vast benevolent enterprises in the building of cheap and sanitary dwellings. Whole estates (like those at Norbury and Tooting) were purchased at public expense and covered with attractive homes. Many so-called "garden cities" were projected, and some were built. Every British city began to demolish slums and to supply model tenements. Miles upon miles of rotten rookeries in Westminster, Stepney, Shoreditch, Manchester, Liverpool, Glasgow, and York were obliterated. Money from the public funds was voted everywhere for these laudable purposes. Private means were also devoted to some housing experiments, and individual philanthropists gave help to a warfare upon such results of poverty as tuberculosis. The London County Council began to feed poor school children, and to build cheap lodging houses for the shelterless. Some attempts were also made (I am afraid in a spasmodic and half-hearted manner) to deal with the question of the unemployed.

Altogether, therefore, we may believe that as poverty had reached its most menacing and fearful aspects in London, so there, also, were made to cope with it the most determined and the ablest efforts that under our present system of society are possible. I desire to cite the net results as the most instructive lesson of these times. On the mass of poverty there has been made not one visible impression. After so much and such conscientious effort the suffering among the poor of Great Britain in the winter of 1907-8 was the most severe that had been

known in a generation. There is no lessening of the vast hordes of hungry, ill-nourished, and idle persons that fill the East End streets, there is no statistical result that gives encouragement, there is no lessening of the area nor of the amount of human misery. Indeed, there is every reason to believe that the sum total of poverty grows at least as fast as it grew before all these noble projects of improvement were conceived. In my own annual visits to the East End this has been my impression, and I am supported therein by the judgment of persons whose means of observation and knowledge are far beyond mine.

It is true there have been many new houses built, and some old houses destroyed; but these changes have been of no avail. The new houses have been occupied by the fairly well-to-do; the poor remain housed as they were. The futility of all such methods of attack is exemplified in these vast housing enterprises. / The bright, new airy dwellings erected by the County Council are so admirable and are offered at such low rentals that they are at once possessed by the fairly well-to-do. For less than the current rents they can here secure better than the average dwellings. / This, I think, tells the story practically everywhere, and so long as our affairs are constituted upon the present basis this must be the result of all such philanthropy and to give less and obtain more is so exactly in accordance with the basic principles of our society that we can find no manner of fault when our model housing schemes achieve such results. Those that were well housed before are better housed now, and at cheaper rents; those that were ill-housed before are ill-housed now; for every slum destroyed, a new slum takes its place; and while the remark seems ungracious and almost inhumane, there is some reason to think that the

well-meant efforts of the London County Council and other municipal bodies have been rather worse than fruitless, and a brighter prospect of good would now appear if the whole condition had been allowed to slide from bad to worse without an effort to provide one distracting palliative, until it should reach a state where the nation was willing to abolish the cause of the disease instead of dosing the symptoms.

Great Britain is the present world empire; she sits upon the world's throne; she is the reputed leader in the world's affairs, occupying the place once held by Greece, Rome, the Franks, Spain, and France. Yet while she has been spreading her flag and power in so many quarters of the world, and enforcing her rule on so many unwilling peoples, there has been at work within her this deadly cancer of poverty that unnoticed has sapped her strength and left her nothing but the shell and show of power. So it will always sap the strength of any nation that tolerates it, and if we are to take only the lowest and meanest view, the view of selfishness and narrow patriotism, nothing is so clear as that these conditions do not pay. Aside from the moral crime of allowing these great populations to be swept down an abyss of misery without one adequate effort on our part to rescue them, there is the practical result of national decline always to be dealt with. No nation on this earth ever was or can be so rich that it can afford to tolerate poverty or to allow any number of its people to dwell in conditions that deny them physical and mental health, and an opportunity for development.

Have we no lessons of this kind to learn in the United States, and is there nothing terrifying in the yearly increase of poverty, the lengthening bread lines, and those growing regions in our large cities that are grossly over-

populated? The East Side of New York is only in degree less terrible than the East End of London; the essential character of its conditions is the same, and I can conceive of nothing better calculated to cause disquieting reflections to any mind in the least hopeful for the future of America and of the American race than the truly alarming spread year by year of the East Side, and the still more alarming increase of population in blocks long ago notorious for overcrowding. In 1902 the Tenement House Commission, after patient investigation of these conditions, issued a warning to the prosperous, and supported that warning with tables showing the populations by blocks in the then perilously overcrowded regions. I wish that in some way it were possible for me to give emphasis to the fact that what was then regarded as dangerous overcrowding is much more crowded now. The population of almost every block specified by the Tenement House Commission in 1902 is greater now than then. In some blocks the increased population amounts to 25 per cent. I have here a table showing the population of typical blocks as reported by the Tenement House Commission, and the population of the same blocks now. I submit that there is nothing in the statistics concerning the slums of London, nor of any other city, better calculated to cause alarm:*

Block bounded by	Ward	1902	April, 1909
Madison, Jackson, Monroe, Scammel..	7	3,085	4,662
Monroe, Jackson, Cherry, Scammel...	7	3,149	2,680
E. 11th, Ave. C, E. 10th, Ave. B.....	11	3,116	2,541
E. 6th, Ave. D, E. 5th, Ave. C.....	11	3,007	3,433
E. 4th, Ave. C, E. 5th, Ave. B.....	11	3,153	3,618
Division, Rutgers, E. B'dway, Pike...	7	1,171	2,182
Madison, Jefferson, Monroe, Rutgers..	7	1,037	3,335
Madison, Scammel, Monroe, Gouveneur	7	1,044	1,354

* By courtesy of *Everybody's Magazine*. The figures for 1902 are from the Tenement House Commission's Report.

A Note About Poverty

Block bounded by	Ward	1902	April, 1909
Monroe, Market, Hamilton, Catherine.	7	1,139	1,615
Monroe, Rutgers, Cherry, Pelham....	7	1,000	2,180
Monroe, Jefferson, Cherry, Rutgers..	7	1,000	2,967
Monroe, Clinton, Cherry, Jefferson....	7	1,171	3,260
Rivington, Orchard, Delancey, Allen..	10	1,011	2,655
Rivington, Essex, Delancey, Ludlow..	10	1,036	2,865
Rivington, Norfolk, Delancey, Essex..	10	1,004	1,710
Delancey, Allen, Broome, Eldridge...	10	1,022	1,400
Delancey, Orchard, Broome, Allen....	10	1,089	1,376

Walk through one of these teeming regions, take note of the dirt everywhere, the squalid, slatternly, and dirty houses, the noisy, crowded, and dirty streets, the forlorn and unkempt appearance of everything, the total absence of objects that can give an inspiration of beauty. Enter one of these tenement houses, go through the narrow, dark, and vilely odorous hall on the ground floor, up the dirty, rickety stairway, across the dark landings, into the homes of some of these people. Take note of what they have of decency, privacy, comfort. Go into one of the interior rooms used as bedchambers, (in some cases by several persons), unlighted, unventilated, without even an opening upon an airshaft. Remember that in the city of New York there are 330,000 of such rooms used for human habitation. Consider what these places must be in the breeding of disease germs; then remember that after ten years of vigorous effort the charitable organizations, the Health Board, and the philanthropists of New York have succeeded in letting air and light into only 30,000 of such rooms out of the 360,000 that existed when the campaign began against them. What shall we deem to be the significance of these conditions?

Take as a type of the hopeless struggle for its own preservation that confronts society, the history of the notorious "Lung Block" in lower New York City. This

place was for years infamous among the health authorities as a breeding place of tuberculosis, from which the entire city was threatened. At last Mr. Ernest Poole, a powerful and versatile writer, took the matter in hand and produced a description of the "Lung Block" that startled the community. He gave the statistics of the cases of tuberculosis that had been reported from this deadly spot, and showed that its existence was more fatal to human life than some famous battles had been. With patient care and accuracy he revealed the causes of these perils, and he awoke such a revulsion of feeling on the part of the public that the repair or demolition of this block was imperatively demanded. All this happened six years ago. To-day the "Lung Block" stands where it has stood for nearly a century, and continues its former functions as a destroyer of human life. The only changes effected have been the cutting of certain windows and certain holes in the roof that are supposed to admit light and air. Such have been in a general way the results of similar efforts to ameliorate the like conditions.

From these distressing pictures we may turn for a contrast to the new tenement houses of Berlin and other German cities, with the more encouragement that these offer an indication of the way by which mankind will eventually escape from all these horrors. The new Berlin tenement houses, light, airy, handsome, clean, with courts, gardens, playgrounds, with every known convenience and comfort, and provided at low rentals, were erected from the surplus revenues derived from the government's insurance operations, and with the design and supervision of the government. Under the system in vogue in the United States the insurance surplus has been used to found great private fortunes, to build private yachts, to provide private pal-

aces, and to entertain French actresses; because in the United States, insurance, the most important interest of the masses of people, is in the hands of private speculation and greed. In Germany insurance is in the hands of the government, and its surplus fund has been used by the government to maintain and further public health by providing sanitary, attractive, rational homes for the masses. For if other nations have been deceived as to the fatal products of poverty, the German government has come in the last twenty years to understand clearly what these things mean. It has perceived that all its chances of future greatness and success depend upon the physical and mental well being of its laboring populations, and it has determined that German strength shall not be destroyed as the slum is destroying the strength of Germany's competitors to-day and to-morrow.

The products of the overcrowded tenement are tuberculosis, influenza, epidemics of other diseases, and crimes that lay the rest of the population under expense and subject it to incessant danger. Healthy minds do not grow in unhealthy bodies; the human race is so constituted that healthy bodies are impossible in dark rooms and without fresh air, sufficient food, sufficient rest, sufficient sunlight. When we reflect that under the existing organization of society poverty must steadily increase, that the result of the present system is to give more to those that already have much and to leave less for those that already have little; that this system is only a huge pump to draw from the masses the fruits of the earth that they need, and confer upon a few a surplus that they cannot consume, it is evident that the present system is doomed. It will assuredly achieve its own destruction; and those that expend time and effort in its defense are but striving against the in-

evitable. If the present organization of Society could endure it would reduce the masses of men to such a state of physical and mental weakness that the world's work could not be carried on, a practically impossible supposition.

CHAPTER X

THE RECORD OF REGULATION

THE domination of the government of the United States by the great railroad Interests was foreseen and foretold more than a generation ago. Rather oddly, two men that had never agreed upon anything else, and about many matters were bitter antagonists, came to be of one mind on this. At about the same time, though quite independently, Wendell Phillips and Jefferson C. Davis uttered solemn warnings to their countrymen against the perilous influence of railroad corporations; warnings entirely unheeded, but justified within the next twenty years.

Not long after the close of the Civil War it became evident (to look merely upon the commercial and not the governmental aspect of the railroad problem in America) that unless some check or control were provided upon the rate-making practices of the railroad companies, many communities would suffer severely because of arbitrary and unjust rates. To secure such a check or agency of national control became the life work of the late Senator Regan, of Texas. His project to establish an Inter-State Commerce Commission, that should represent the public and have judicial control over railroad operations and rates, was urged, if I remember correctly, upon five successive Congresses, and was defeated or allowed to die in four. The long campaign for Senator Regan's bill (a campaign in which my father took vigorous part) revealed

three principles that, I have since observed, pertain to every effort to curb or regulate railroads or other powerful corporations.

First, the plan for an Inter-State Commerce Commission was earnestly opposed on the floors of both Houses of Congress by men highly reputed for personal integrity and patriotism. These men stated generally as a ground of their objection that the proposed bill would be unfair to the transportation interests of the country, and render very difficult, if not impossible, the operation of the railroads at a profit and the paying of dividends on railroad stock on which the prosperity of the country is supposed to depend. Their opposition, therefore, was ostensibly based upon a sole regard for the public welfare. Of some of these men it was certainly true that their political success had been achieved by the active though secret assistance of railroad companies, and consideration of this fact brought about rather surprising revelations. Thus, for example, in the case of one man of my own state whose methods became very well known to me, there was disclosed a wonderful political organization by the railroad that traversed the district, an organization freely used in behalf of this member or of any other member that was agreeable to the company. This organization embraced every county in the district, every township in every county, and was in its way one of the most perfect political machines I have ever known. As it subsequently appeared that this instance was in all respects a type of the manner in which the railroads generally exerted their influence, and as most of the phases of this case happened to pass under my own observation, I should like to dwell for a moment on the highly instructive aspects of a matter to which we may think too little attention has been drawn.

The Record of Regulation

The first of these impressive facts is that the railroad company's political machine (which included a particularly offensive lobby, and was maintained for merely corrupt ends) was assiduously served by men of the highest standing in the community. Without exception these men would have scorned the slightest suggestion that they could be bribed or bought to betray their duty to the country or the city. Some of them were accounted most earnest patriots, and I have heard them on public occasions denounce all forms of corruption and in terms most eloquent eulogize purity, honesty, and patriotism. So far as one could judge, they were in all this most sincere. And yet each of them was purchased and paid for, and secretly enrolled in the service of a public enemy more dangerous than any that ever made war upon their country.

This brings me to the subject of indirect bribery in the United States, a factor that in my observation has been of the greatest influence in all our affairs, and yet is almost never referred to. The means by which the railroad secured the services it needed were chiefly by retainer fees to lawyers, and the useful pass to other persons. Every county along the railroad line produced a regular crop of damage suits at law; suits by farmers for cattle killed, claims from merchants and shippers for overcharges and swindles, suits in which the railroad sought to evade its taxes, and many others. These were under the care of the railroad's legal department, which was in Chicago, and held in its hands the whole huge network of political and legislative activities by which the railroad maintained itself in its privileges. When a legislature was to be bought, a convention controlled, or a candidate selected, the necessary work was directed from the office of the chief counsel in Chicago.

In such multiplicity of suits there was wide opportunity to employ local attorneys, and to be retained by a great railroad company had for a practitioner in a small town threefold attractions. The work was always liberally paid for, it was paid for promptly, and it conferred an undeniable prestige, for it showed that the fame and skill of this practitioner had gone as far as the metropolis, and there was a tradition that a railroad company would employ none but the best lawyers. The legal profession was overcrowded, clients were few, competition was keen, and a railroad company's retainers were choice windfalls anywhere. By paying for the defense of a small damage suit about five times as much as the service was worth, and by adding a pass, the railroad company could count on much more than the court assistance of almost any lawyer. It had, in fact, purchased that man and all of his political influence for a year.

There were many cases in which this arrangement was without concealment, but what interested me most were the many other cases in which, because of the high standing or supposed political integrity of the lawyer or firm, the fact of the purchase was effectually disguised. For instance, I have seen letters from the general counsel of the railroad I have in mind written to its legal representatives in small Iowa towns purporting to deal at length with some pending cases, and really giving the adroitly managed signal for the lawyer to get to work on some political job in his neighborhood. "Smith *vs.* The Chicago, ——— & ——— Railroad," the letter would begin. It would then discuss this case, which was probably a suit of a farmer for two hogs killed because of a defective cattle guard, and at the end the writer would say:

"By the way, I see that Simkins is a candidate for the

Congress nomination in your district. If you can, without inconvenience, do something for him I wish you would, as he is a friend of mine." That was all, and on the face of it most innocent, and yet in nine cases in ten it concealed black devilry.

Here was the dispenser of employment, the man upon whose word hung fat retainer fees and much distinction; ostensibly he was politely requesting a personal favor that was in the line of the lawyer's business; by the simplest rules of business reciprocity his request must needs be granted, and the lawyer was made of adamantine stuff that could resist such an appeal. As a rule, he went out and worked for Simkins; as a rule, also, he was the most skillful politician in the county, for upon such fell the choice of the railroad company. Very often he was supplied with some annual and many trip passes signed in blank. With all these aids he returned from his county a delegation for Simkins, and as meanwhile the same process had been in operation in the other counties in the district, Mr. Simkins was presently triumphantly nominated.

When he reached Washington he was opposed to the Inter-State Commerce Commission bill because it was unfair to our great transportation enterprises and threatened to destroy prosperity.

By a similar process members of the legislatures were carefully chosen, so that undesirable legislation was prevented in the states, and undesirable persons were excluded from the national Senate. I could even wish that the process ceased there, but you are to remember that judges were also nominated and elected, that the goal of every young lawyer's ambition was to be a judge, and that the choice of the judges lay chiefly with the railroad's political and legal department, to be awarded for service

done. To speak irreverently of the judiciary is in this country no light matter, but perhaps I may be allowed to record the fact that in my observation, at least, very few suits against railroad companies were eminently successful, and that the property of the railroad companies in Iowa was assessed at one-fifth as much as other property. Possibly the facts have no connection. I do know, however, that in one year one railroad company spent in Iowa more money for improvement on its property than the total assessment of all its property in the state. And I also know that all judges that tried cases, sheriffs that drew the juries, assessors that regulated taxes, and all other officers, state, county, and city had free passes. I can recall one case where a farmer that had been trying in vain for years to get justice against a railroad company finally forced his suit to trial and lost it, and subsequently discovered that all the court officers, all the members of the jury, and his own attorney carried the passes of the railroad he was suing.

But to return to legislation, with which we are most directly concerned here. I must do the railroads the justice to say that they were without partisan prejudice; one political party was in their eyes as good as another. Thus, for instance, the Chicago, Burlington & Quincy Railroad traverses the southern part of the state and has lines in three or four congressional districts. The first district was in those days always Democratic, and in that district the Chicago, Burlington & Quincy Railroad was always intensely Democratic. The next district to the west was Republican, and in that district the Chicago, Burlington & Quincy Railroad was always intensely Republican. In Republican counties it was represented by Republican attorneys, in Democratic counties by Democratic attorneys, and I have seen within a few days of each other a Re-

publican state convention and a Democratic state convention each dominated, controlled by, and chiefly composed of the county attorneys of the railroad companies. In fact, for years we never saw anything else, and at every convention some railroad employee would be on hand with books of passes to accommodate all the delegates that had done their duty. This was no more the practice of any one railroad than of all the railroads, and it was no more the practice in Iowa than in all the Western states. I can speak of this with perfect confidence because I saw it in the performance and knew well the fruits thereof. I have, for instance, seen the pass-handler with a fountain pen in one hand and a book of passes in the other standing at the door of a state convention to reward the faithful delegates, and subsequently in a railroad train have seen the faithful delegates riding on their well-earned passes. As to other than Western states, and particularly as to the Southern states, I have no such personal knowledge, but I am given to understand by those informed in such matters that the custom in no wise differed.

By these methods men that would have been of immovable virtue if approached with direct offers to betray the community were influenced as effectively as if they had been bought by undisguised corruption. I remember that on one occasion the person that was called the town crank brought this matter rather forcibly to the notice of one of the eminent men thus bribed. "You denounce aldermen that take boodle," said the crank, "and you yourself take the railroad company's retainers and do its crooked work. What's the difference?"

But the attorney was only amused. "That," he said, "is all in the way of business. Of course, it has nothing to do with my convictions." Yet the men that through

this lawyer's endeavors were sent to Des Moines and to Washington were no less certainly the tools of the railroads than if for sums of money each had been sold in the market-place.

Second, it appeared that the ramifications of this influence were enormous and totally unsuspected by the general public. Thus, for instance, every bank was allied with the railroad company, not for reasons of sentiment, but because of common interests. Nor was it possible to see how this could be otherwise, the inter-relations between the banks and the railroads being so close. The railroads did much business through the banks, the banks all held quantities of railroad stock as collateral, many of the bank directors were railroad stockholders, the railroads helped the banks, the banks helped the railroads. In the present organization of society, the power of any financial institution, if exerted in politics, becomes a contradiction of the democratic principle. It is, in fact, a power too dangerous in any democracy to be exercised without active supervision. For instance, in the average community most of the merchants are dependent upon the banks for the accommodations with which business is carried on. These accommodations are granted or withheld at the will of the bank officers. From their decision, which may mean business life or death to the merchant, he has no appeal. He is at his bank's mercy. Therefore, it is not often necessary for any bank officer to make a personal request of a merchant in behalf of any man or measure that is the subject of a pending election; the mere fact that the sympathies of the bank are known in a general way to lie on one side or another is usually sufficient to influence a merchant whose need for accommodations may be urgent. It is, of course, perfectly true that banks seldom interfere

in partisan politics (the conspicuous exception being in 1896), but they do continually, though very quietly, exert themselves concerning primaries, conventions, and candidates; and these exertions are far more important both to the corporations and to the interests of the public than any ordinary partisan activity could be.

I sat one day in the office of a man in Davenport, Iowa, whose convictions and sympathies were entirely in behalf of a certain cause and a certain candidate extremely distasteful to the railroad companies. While we were discussing this cause a bank called this man on the telephone and requested his presence. He went to the bank parlors, where he was told that a certain business arrangement much to his advantage was open to him if he would refrain from activity for the anti-railroad candidate. This man could not be bribed with money to do anything contrary to his convictions. He could be easily bribed with an opportunity for business advantage, not essentially different in principle from an offer of money. This case was in no way peculiar. It has been duplicated many times in my observation, and doubtless in the observation of every man that has seen politics from the inside.

All of the great corporations are, in fact, closely allied, and must necessarily be so. These enterprises inevitably tend more and more to have the same owners, and this is an ultimate condition that was certain from the dawn of united effort in business, and from the time when the invention of steam and machinery began to make large combinations of capital essential (in the present system of society) to industrial production. Mr. B., let us say, invests money in railroad stock. In the process of time through the issuing of additional stock, and through the enhancement of values, this stock yields him an annual

return that demands investment. He cannot hoard it; he cannot dig holes in the ground and hide it; this surplus return must be invested. The number of investments and the variety thereof are really small. Banks, manufactories, and more railroad securities, mines, and real estate comprise the chief investment avenues. As the process of consolidation, unification, and combination (which is the manifest course of business evolution) has gone on, all these interests have come to have about the same controlling ownership, so that incessantly all investments tend to converge and the men that share the accumulated capital of the country feel more and more the unity of their interests. Mr. B.'s investment in a bank of the surplus earnings of his railroad stock becomes a bond that fastens the railroad company and the bank together. They are already allied because the bank has lent money on the railroad stock as collateral, and the market price of the stock is therefore of vital moment to the bank. They are now further bound by a common ownership. It was for such reasons that all the financial institutions of the country were opposed to Senator Regan's Inter-State Commerce Commission bill, just as they have been opposed to every other measure looking toward the limitation of railroad power; and the extent of this influence was hardly less than that of the railroads themselves.

Third, the true interest of the people at large, which might be expressed as the true interest of democracy, is always inimical to the interests of the corporations and the financial institutions. The course of a conflict between the interests of the public and the interests of the corporations has usually been about the same, and I take what happened in the case of Senator Regan's bill as the perfect type of what has happened many times since, and

will doubtless continue to happen as long as we tolerate the great corporation.

In four sessions of Congress the influence of the railroads and banks, exerted through men like our friend Simkins and elected in the way that he was elected, was sufficient to defeat Senator Regan's bill. All this time the demand of the public that such a measure should be enacted was steadily increasing. There was, in fact, every reason why the public discontent should increase. The railroads, without any form of national control, were in many regions practicing an intolerable tyranny. Even to men ordinarily careless of such things, the fact had become apparent that the railroads were the greatest power in the country, and it was a question even then whether it were not too late for the national government to curb them.

At last this public conviction swelled into an irresistible demand for action. In many congressional districts the people were so much in earnest on this question that the continuance in office of Mr. Simkins and his tribe and the pleasant political success of the railroad attorney were seriously threatened. This was in the session of 1886-1887. Senator Regan had, as usual, introduced his bill. A great many petitions from all parts of the country, resolutions of public meetings, and letters of constituents to their congressmen insisted that the bill should be passed. It was then in the hands of the Commerce Committee of the Senate. By this committee it was introduced for passage with amendments that cut out the heart of the measure and made it merely nominal by depriving the Inter-State Commerce Commission of any real authority over the railroads, and leaving it as an amiable body of purely ornamental purpose. It was established to go about

the country, to listen to complaints, to sit as a court with much solemnity, and then to render decisions that were binding upon nobody. It could, indeed, issue an order to a railroad to amend an unjust practice, or an extortionate rate, but the railroad was under no obligation to give heed to this order until the order had been indorsed by the Federal courts, up to the Supreme Court, if the railroad chose to carry it so far.

The opponents of the measure, Mr. Simkins and his tribe in both Houses, insisted upon these amendments. A very long and weary debate ensued, in the course of which the public lost track of the proceedings, a result secured by amending the amendments, by demanding trivial changes in verbiage, and by the like expedients, until even the minds of legislative experts failed to follow the mazes of the discussion. At last the bill, amended until every feature that could really affect railroad practices or establish any degree of railroad control had been eliminated, was passed. Outside of Congress no one analyzed the measure. The fight of so many years for an Inter-State Commerce law had been won. Such was the popular verdict. No one stopped to inquire whether the bill really represented a victory for the people or a victory for the railroad companics. An Inter-State Commerce measure had been passed. It was now to go into effect, and all agitation of the railroad problem promptly came to an end.

Sixteen years passed before public attention could be secured to the fact that the law was a mere jest, and that the railroads were really as uncontrolled and extortionate as they had been before. In those years the mere existence of the law was in the public mind a sufficient answer to every complaint; there was the law, an Inter-State Commerce law, a law for which the public had fought the

railroads for many years. Under that law things could not really be wrong.

In those years, too, the railroads had enjoyed an immunity from control or responsibility as complete as they had ever before enjoyed. From every point of view the passage of the bill was to them a great advantage; nor was their smallest benefit in the almost complete silencing of adverse agitation. All the substantial fruits of victory were with them. The four sessions in Congress in which they had defeated Senator Regan brought them no advantage comparable with this that they had won by the final passage of the bill in the shape to which Mr. Simkins and his tribe had reduced it. And this, I have since observed, is the principle that underlies all of these attempts at regulation and repression. Not one so-called victory for the public in these regulative ventures has been in fact anything but a victory for the corporations.

For further illustration of these truths we may well proceed to the next chapter of the history of railroad regulation in the United States. By 1903 the fact had become obvious even to the most skeptical that the railroad situation had been changed in no important particular by the Inter-State Commerce bill. The railroads continued to make rates on an arbitrary and, frequently, an unjust basis. At their discretion they granted the forbidden and illegal passes to favored shippers, to political servitors, or to other persons. They set up one community and pulled down another, and above all, there was a loud and increasing clamor of discontent growing out of the undiminished practice of granting rebates and illegal favors. Discriminations and illegal rate reductions were in use everywhere, and the net result of them always was to increase the advantage of the big shipper, the big dealer, and the big

manufacturer, and to increase at the same time the disadvantages of the small competitor, so that railroad rate discrimination became a factor of incalculable power and extent, working incessantly to draw greater wealth into the hands of those already wealthy and to impoverish the masses. Great firms and corporations never paid the schedule rates on any shipment. One firm in Chicago received from one railroad an average of $30,000 a month in rebates. The total amount paid out in rebates by all the railroads of Chicago was annually a stupendous sum, distributed solely among the greater enterprises. Some railroads maintained in their offices a so-called dark-room, that is to say, a room without windows or natural light, in which a very dim gaslight burned in one corner. Into this room a shipper or his agent that was to receive a rebate was directed by the companies' agent. He went in, shut the door, a man that he could not see handed him a roll of bills, and he departed. Other railroads or fast freight lines employed trusty agents that went about delivering rebates at back doors, or in saloons, or up dark alleys. An officer of the Pennsylvania railroad, being asked by an investigating committee for a list of the firms in Pittsburg that were in receipt of rebates from his company, replied that if the committee would get the corporation directory of Pittsburg it would have an accurate list.

Besides the rebates that were given directly or indirectly to certain firms and recognized by the railroad companies as rebates, there were two other systems of rebating as vast, as injurious, and, to the just mind, still more offensive, because they were carried on under specious disguises. These were the private car, so called, and the terminal railroad. The private freight car was always owned by some

large shipper. For the hauling of this car the railroad company paid to the owner a certain sum for each mile hauled. This was, of course, in effect nothing but a rebate to the large shipper. The small shipper could not afford to own a freight car. To show how effective was the practice, I may mention that the firms composing the Beef Trust owned a total of about 20,000 refrigerator cars; these cars were employed partly in the transporting of the Beef Trust's products, and on a carload of such products shipped from Chicago to New York, for example, the firm received $7.50 mileage for the car, which was equivalent to an average rebate of about 20 per cent. on the shipment, and a corresponding advantage to the Beef Trust firm over its small competitor. All told there were about 50,000 private cars of different kinds, each representing heavy annual rebates to favored shippers.

The terminal railroad was a device equally iniquitous. A large manufacturing firm would have a piece of sidetrack from its warehouse to the main line of the railroad nearest, this sidetrack being perhaps in some instances as much as 1,000 feet long. A railroad company would be organized with some resounding name, like The Chicago, Lake Shore & Pacific,* and composed of the owners of the factory. The entire property of this railroad company would be the piece of sidetrack from the warehouse to the main line. The great railroad company would then make on the products of this factory what is called a joint rate. That is to say, for instance, a rate to New York made jointly between the Chicago, Lake Shore & Pacific and the Pennsylvania Railroad might stipulate that one-fourth of the rate should be paid to the Chicago,

* As a rule the shorter the piece of track the more pretentious is the name.

Lake Shore & Pacific, and the rest to the Pennsylvania. The distance hauled over the terminal railroad would be 1,000 feet, the length of the side track; the distance hauled over the Pennsylvania might approximate 1,000 miles. This practice was, of course, nothing in the world but the disguise of an illegal rebate. At the time I am treating of it had become very common.

The general unrest and dissatisfaction with the existing railroad conditions reached a head in 1903, when Congress was again petitioned to remedy the existing abuses. Several bills were introduced to this end and urged by reformers. The usual period of debate and delay ensued. Finally, it was announced that the best features of all the bills had been incorporated in a measure that was credited to Senator Elkins, but was really drawn by one of the ablest railroad executives we have ever had. The avowed purpose was to make the granting of rebates and discriminations more difficult. Possibly no better comment on regulation as a cure for economic evils is needed than the fact that the result of the bill was to make rebating and the granting of discriminations both easier and safer. For, whereas the old law, though never enforced, carried the penalty of imprisonment for these offenses, the new law, in a paragraph not generally commented upon, abolished imprisonment and substituted a mild fine, which, of course, would be paid, not by the individual, but by the corporation.

The ridiculous futility (for all public purposes) of this enactment having become apparent, and the complaints from the plundered shippers and consumers having become an intolerable burden, President Roosevelt issued his famous message of December, 1904, in which he proclaimed the necessity of dealing radically with so grave a situation.

He set forth quite clearly (so far as he went) the injustice and great injury to the general public that always result from rebates and rate discriminations, and while he did not apprehend the full extent of the practice, ample excuse for him lies in the fact that this was knowledge possessed only by the expert and the student that had devoted much time to the subject. The average citizen is always content to think that the laws are obeyed except by what are called the criminal classes. He obeys the laws himself, he is respectable; therefore, all other respectable men obey the laws. Managers of railroads are generally respectable men; therefore, they generally obey the laws. The laws of the nation strictly forbid rebating; therefore, most railroad managers do not rebate. Thus the average citizen who would not have believed (at that time) that every day, many times, and in more than one way, every railroad company in the United States deliberately violated the national laws. He would not have believed, for instance, that every railroad granted rebates, and that in every considerable town in the United States the largest shippers had an unfair and criminal advantage in freight rates. He would even have been very slow to believe (at that time) that these criminal discriminations had built up the trusts under whose extortions he was beginning to groan. He would not have thought that only a criminal conspiracy with the railroads had given birth to the oil monopoly, or that only illegal rebates had made possible the construction of the Beef Trust; that every great monopoly in the country was operating with reduced railroad charges, and it was this advantage that crushed every competitor, and in every industry gave to the preponderating concern the control of the market. Even the small tradesmen that were being crushed out and ruined by such changes could not see

the origin of the changes and yet the direct origin was exactly the same in every instance.

Mr. Roosevelt's message contained the famous words, "Above all, the highways of the nation must be kept open to all upon equal terms," at once a rallying cry to all that agreed with him in holding these evils could be abolished by regulating them. The country gave him a marvelously united support; not since the days of Jackson and the United States Bank had any President had the masses of the people so solidly behind him. With dogged persistence and skill he brought to the fight all the power and resources of his office. Patronage is the substance of the President's power in Congress; the Constitution has so hedged him about that otherwise he has little authority; but he can always bestow or withhold the post offices, and with these he can bring into line many members that are insecure in their seats. This great power Mr. Roosevelt strained to the utmost and beyond all precedent, supporting it at the same time with personal appeals, argument, and the bullying of the weaker members, all his effort being directed toward the passing of a bill that would cure the rate discrimination evil.

He was opposed at every turn by all the power of the railroads, the banks, and the allied institutions; these also had seldom shown a more united front. The situation, in fact, precisely duplicated the situation when the original Inter-State Commerce act was passed. The corporations fought everything to the last ditch. When they saw that the pressure from the country was too great, and that the supremacy of their political organization was in danger, they took the most innocuous of the pending measures for railroad regulation and began to amend it. As they struck out one vital feature after another the advocates of rail-

road regulation protested and objected. In every skirmish their guns were silenced by the one argument. If they yielded they could get some kind of a measure passed; if they persisted in fighting there would be no enactment. On these terms Mr. Roosevelt himself more than once surrendered. When at last the bill had been shorn of every feature that could really interfere with railroad extortions it was allowed to pass. As in the former case, the debate had been long strung out, amendments had been piled upon amendments, and all persons that had anything else to do except to watch this one struggle had lost the sequence of changes. In the end the people hailed the passage of the bill as a victory for their cause and a defeat for the railroads, and, of course, as a matter of fact, it was a victory for the railroads and a defeat for the people.

Under the operation of this law not one essential fact in the railroad rate situation has been changed; whatever has been changed has related to the names and externals of things, not to their substance. As for instance, the so called free passes have been, to a considerable extent, abolished, but favors to big shippers, of which the free pass was only one form and expression, continue as before. The general passenger agent does not write out a pass for the representative of a great firm that ships many goods; but a ticket, the price of which is subsequently allowed on a claim account, is easily provided. The rebate agent is no longer a recognized officer of the railroad organization; rebates do not appear as such on the books; but in most railroad offices the Claims and Allowances account, for instance, has wonderfully swollen. If a great firm presents claims in a month for $30,000 for goods injured or delayed in transit, who is to object if the claim be allowed, and

whose business is it? The allowing or disallowing of the claim rests entirely with the railroad management; no one else has a word to say about it; except for the firm no one else knows anything about the basis, origin, or actual nature of that claim. If the management chooses to allow the claim, no authority has any right to dispute the allowance; and the whole history of the transaction is buried forever under one book entry that reveals nothing.

There was a very broad intimation of the extent to which this practice is carried in the proceedings of the government against a Chicago packing house in January, 1909, but it naturally passed without much remark.

Similarly, the whole Supplies Account in many railroad organizations has become the subject of more than suspicion. Here is the Standard Oil Company, for instance, with much freight to be carried. Every railroad consumes a great deal of oil, lubricating oil, axle grease, illuminating oil. Now, if a railroad is willing to pay for its oil 30 cents a gallon instead of 15, it is, of course, entirely natural and within the limits of business good sense if the Standard Oil Company reciprocates by giving many freight shipments to such an excellent and liberal customer. Many oils are really worth 30 cents a gallon, and more. If oil that is worth 15 cents a gallon is included with oil that is worth 30 cents a gallon, that is the affair of the railroad management, and no district attorney will ever find it out. Oil is by no means the only supply that can be had from large shippers. The clerks that make these entries may exchange winks and nods, but probably not one of them has the complete story of the purchase, and whatever he may suspect he has no testimony that the courts would entertain. Rebating, beyond doubt, has been made more secret than ever before; possibly it is therefore more

difficult, and to a slight degree discouraged, but the essence of the practice remains the same. Nay, in one aspect it is certainly worse for now the big firm has more than ever before the crushing advantage upon the small firm, and to that extent the evil of unequal wealth distribution is augmented.

Yet with all the vast wrong wrought by this device, one cannot deny that, while the rebate is illegal and criminal, it is under the present system perfectly natural, logical, and inevitable. The men that defy the Federal statutes and grant rebates are only following the higher law imposed upon them by the economic situation. Nothing is so foolish as to denounce or condemn them; they but do what they are compelled to do. Strenuous persons that have much indignation about this matter may feel surer of their own great virtue; but for my part, if I were the general freight agent of an American railroad, I should grant rebates, law or no law. And if the law forbade me, I should say that the law was wrong, and not I, because the law prohibited the thing that in existing circumstances absolutely must be done. I should say that I had been employed to deal with a certain situation; neither I nor any other man had created that situation; and my duty to the interests confided to my care was a higher consideration than an impossible law passed by men that had no acquaintance with the facts. I should say that if Congress wished to stop rebating, it should stop the cause of rebating, and until it did so, and showed some recognition of things as they are in this world and not as they may be in the New Jerusalem, I should go ahead and grant rebates, and take the risk. And as I have for myself, as a rule, no greater pretensions to viciousness than most of my contemporaries, I believe that other men, including

the chief protestants of virtue, would in the like circumstances do exactly the same thing.

And, of course, in existing circumstances, I should either grant rebates or lose my position; and, again, in existing circumstances, I do not see wherein a man is called upon for self-immolation or martyrdom. To grant rebates is part of the national railroad business as at present conducted; why make an individual the victim of presidential wrath instead of the system? Much cry has gone up that all the officers of all the railroads that violate anti-rebate laws ought to be put into jail. Those that cry thus seem never to have reflected that if, in existing conditions, you were to imprison every railroad officer in the United States, existing conditions would be no whit changed, and the successors of the jailed men would assuredly proceed to repeat the same old offenses in the same old way, or some other.

Look for a moment and impartially at the situation as it is. Here from Chicago, for instance, extend eastward to the seaboard nine railroads. All of these have, to be sure, about the same owners, are connected with about the same interests, and always make a common cause when attacked. Yet each has a separate general freight agent or freight traffic manager, or whatever the officer may be called, whose duty is to secure the largest possible amount of business for his railroad. This man holds his position solely on the basis of results. He must show results, he must show an increase of tonnage carried; that is what he is hired for. The increase is imperatively demanded, because it must appear in the annual report; otherwise the road is held by the public not to be in a prosperous condition, the price of its stock may be affected, and very unpleasant results may follow. For one thing, the men that control

it may lose their hold upon its market value by which they are enabled to play the games that reap them their greatest profits. Therefore, the tonnage showing must be healthy and satisfactory, and that it may be so, the freight agent must strain every nerve to obtain for his road every possible shipment.

Here is a large firm of dry-goods dealers in Chicago, let us say, merely for an illustration; there are hundreds of cities similarly situated, but let us take the most obvious illustration. This firm receives and dispatches annually great quantities of freight, nearly all of which it can send by whatsoever route it may select. Here are nine railroads between Chicago and the seaboard, over any of which the firm can ship freight. Which shall it choose? Let us be fair. Shall it take one route because the scenery is beautiful? Or another because it has a resonant name? Or another for reasons of sentimental regard? Or shall it distribute its business among the nine, taking care that no railroad receives a larger share than another? Not unless the management has lost its wits. By all the rules and customs and principles of business, the only possible ground upon which it can decide between one railroad and another is the ground of relative advantage to itself; and as all the railroads ship goods in about the same time, and with about the same care, the selection can only be made of the road that offers the lowest rates.

This forces the freight agent to make concessions. He must get that freight shipment, or lose his position. He must make concessions, or he will not get the shipment. He knows that even if he were to be Spartan and quixotic and refuse to make the concession, no possible good would result. The company would continue to dismiss general freight agents until it found one that would secure the

shipment. Therefore, he makes the concession, breaks the law, takes the risk, secures the shipment, and retains his position: which, under existing conditions, is exactly what a reasonable man would expect him to do.

That is why the latest railroad regulation experiment is a failure, and why every person of the least practical acquaintance with existing conditions must have known from the beginning that it would be a failure.

Three very simple tests of the extent of its failure can readily be applied by any one interested.

First, in the first twelve months after it went into operation, the number of complaints against the railroads, filed by citizens with the Inter-State Commerce Commission, did not diminish, but increased.

Second, a very considerable part of the rebating about which President Roosevelt so earnestly complained was carried on by the private cars before mentioned. These private cars carry on their traffic exactly as before, their number in the last three years has not diminished, but considerably increased, and each private car is at all times a disguise for rebates, and has indeed no other reasons to exist.

Third, the terminal railroad, as before mentioned, was another prolific and grievous source of rate discriminations and rebates; and terminal railroads continue to collect toll and disguise rebates.

From these facts it is sufficiently evident that every attempt to meet the railroad problem and the corporation problem by regulating them must necessarily be a failure, and this no matter how earnestly and conscientiously or skillfully or persistently the attempt may be made. Nothing can possibly be gained by regulating an evil, except for those that reap profits from the evil, for such win the

advantages that lie in the diverting of public attention and in the prolonging of present conditions.

I feel moved here to give a little illustration of the actual fruits of this kind of symptomatic treatment that we have elected to waste our time with. One of the pregnant sources of complaint by shippers and consumers was the form of private freight car to which I have previously referred, the car that carried refrigerating apparatus, and was used for the carrying of perishable commodities. Few persons outside of the trade have any idea of the extent and importance of the functions of this car. I cannot now go into the details, but it is sufficient to say that a very large part of the fruits and the vegetables consumed everywhere in the United States is carried at some stage in refrigerator cars, and subject to the charges for such carriage; which are, of course, always reflected in the price paid by the consumer. Since the introduction of this car an enormous business has grown up of growing fruits and vegetables in particularly favored regions and shipping them to more northern localities.

The great majority of these refrigerator cars are owned and operated by the firms composing the Beef Trust. For their owners they gather revenue in two ways. First, they receive from the railroad that hauls them a mileage rate, which alone earns for them an annual average income of about 50 per cent. on the cost of the car. Second, the owners levy upon the shipper what is called the icing charge, which is chiefly an arbitrary tribute extorted apparently on the basis of what can be collected. In the investigations that preceded the agitation of 1904, remarkable things were discovered about these icing charges. Instances were adduced in which the icing charges on a carload of fruit or vegetables from Tennessee to Chicago,

for instance, were greater than the freight rate. Innumerable instances were found in which the icing charge was as much as five times the total cost of all the ice used and all the labor employed. One typical instance became famous. Lawton, Michigan, is a center for fruit shipments, a hundred and twenty-five miles from Chicago. The time occupied by a carload of fruit from Lawton to Chicago is about twelve hours. A car loaded with grapes at Lawton one evening would be in Chicago the next morning. The icing charge on this car was $25; the ice actually consumed in icing the car cost $2.50. The rest of the icing charge represented clear profit to the owners of the car, who also received money from the railroad that hauled the car.

The extortion in this case was so apparent and so easily understood that widespread attention was called to it. At the height of the agitation the owners of the refrigerator cars admitted that possibly some of their charges might need revision, which they professed a willingness to make. Accordingly, the Lawton charge was selected as the charge to be revised. It was reduced from $25 to $18. Other charges less celebrated, but no less extortionate, were allowed to remain. Of all the agitation against the refrigerator car the net result, therefore, was to save shippers of fruit from Lawton to Chicago the sum of $7. There are those that assert that even this reduction in their earnings was made up to the refrigerator car companies in other ways, and in other directions, but if this assertion is true, I have no information on the subject.

What attempts to regulate these evils really mean may be judged again from the familiar instance of the state of Missouri and the Beef Trust. When the Missouri authorities had succeeded in convicting the firms that

compose the Beef Trust of operating in defiance of the Missouri law a combination in restraint of trade, a heavy fine was levied upon each of these offending firms. On the day that the Supreme Court of the state affirmed the judgment of the lower court the fines were paid, and the price of meat was advanced so that by nightfall the firms had more than recovered the amounts of the fines they paid, which they continued to recover daily for some weeks. Of course, the true meaning of this proceeding was that the people of Missouri had fined themselves not once but many times for the lawlessness of the Beef Trust, and the lawless Beef Trust not only went unpunished, but from the attempt to punish it for breaking the law actually secured a larger profit. This seems to be a form of vicarious atonement most undesirable for the public welfare. Yet, of course, it is, and always must be, inseparable from every attempt to punish lawbreaking corporations by fining them, or every attempt, indeed, to regulate economic evils and still preserve their cause. Nothing conceivable by man seems so absurd as the recent campaign against lawbreaking corporations that sought to punish them by inflicting fines, in one famous case amounting to $29,000,000. That the mental operations of the gentlemen directing these prosecutions should have been so limited as their words indicated seems beyond belief. When a corporation is subjected to a fine, of course there is and can be no possible source from which it can draw the money to pay that fine except from the public; therefore, every fine levied upon any corporation is a fine levied upon the public, and instead of regretting that Judge Landis's fine of $29,000,000 on the Standard Oil Company was overturned by the higher court, the people of the United States should have most heartily rejoiced. By the reversal

of Judge Landis's decision they were saved the payment of $29,000,000 not only once but many times.

Nor has there ever been devised by any human mind anywhere any other means of mitigating the evils of the present system, and at the same time preserving the system. Many times in many countries the attempt has been made, and always with the same result. The reason for its failure is very simple. Under existing conditions the thing that the law forbids the corporation to do is the very thing that it must do, and the thing that it ought to do, and the thing that in existing conditions is right for it to do. Evolution is a much greater force than man-made law. Combinations in so-called restraint of trade did not originate in the peculiar devilry of individual men. They originated in changing conditions, world-wide and irresistible, that marked the successive stages of a vast industrial evolution. The Congress of the United States might as well have passed laws against the glacial period or the old red sandstone. Trusts are as certainly a product of evolution as any geological epoch has been, and the spectacle of official or other gentlemen fighting the evolutionary windmill by passing railroad rate regulations and tilting valorously in the courts is merely for the laughter of the ages.

Yet I must not be understood as maintaining that with the passing years, and amid the prodigious and vociferous efforts of reformers, the methods of the railroad have persisted without alteration. On the contrary, looking back now, one can see a decided change—in the superficies of things if not in their essence. I will illustrate what I mean. The people of Davenport, Iowa, where I was born and bred, carried on for years a desultory warfare against the railroad company that supplied them (at a high rate) with transportation, and, I must admit,

seemed always to regard them as its vassals and serfs. To secure a measure of relief through the blessed medium of competition, the citizens had formed a company of their own and built a short railroad to the East, providing a new outlet. The money for this enterprise was raised largely by public subscription, and I well remember the general rejoicing when the line was opened, an occasion celebrated in a popular excursion via the new route to Cincinnati. Public satisfaction was of short life; in a year or two it was apparent that the new road was passing into the control of the old, and when the process was complete most of the persons that had, with such excellent motives, invested money for the relief of the community, found that they had lost their investment. Some of these losses were acute; and I particularly recall one enthusiastic citizen that had put all of his fortune into the new venture, and was glad to obtain a position as letter carrier.

A similar attempt to win freedom by blessed competition through a railroad constructed to the north having met with a similar fate, the community next sought relief by water competition. My father, who had been very active in all of these movements, led the campaign for a canal to connect the Mississippi River at Davenport with the Illinois and Michigan canal, and thus secure a waterway to the Great Lakes, a project (since realized) of which he was the originator. To further this enterprise many conventions and meetings were held, and an association of local merchants was formed, in which one of the prominent members was a wholesale dealer of the city, whom I shall call here Mr. S. His name had a different initial, but he is still in active business, and there is no good reason why he should be subjected to possible annoyance. At one of the first meetings of this business men's

association, Mr. S., who had been elected an officer, made an address in which he dealt quite plainly with the undeniable fact that the town had been throttled and checked of its normal development by the railroad monopoly. The attitude of the railroad company all this time, I should say, was of sullen observation and underhanded antagonism. When next Mr. S. received a shipment of goods he was disconcerted to find that the freight rate on everything had been doubled. By telephone he called up the railroad freight office with the information that there had been an error in his freight bill that he would like to have corrected. The answer, surlily given, was that there was no error. In some alarm, he sought the higher railroad authorities.

"What does this mean?" he demanded. "Here is my last freight bill, and there is an error in it, and I can't get it corrected."

"There's no error about it," said the authorities. "That's the correct rate for you now."

"But why should my rate be doubled?"

"Your old rate was a rate we make to our friends. For those that go to public meetings and make wild speeches about railroad monopoly, this is the rate we make."

"What! Am I to understand that this is to be my rate hereafter?"

"As long as you feel constrained to be our enemy you can't expect us to be your friend."

Mr. S. went straight from this interview to my father, to whom he related what had passed and presented his resignation from the association. He said:

"I shall be ruined if I go on. I am with the people of Davenport, but I cannot afford to be ruined."

So he dropped out, and his old freight rate was restored

to him. Those that remember conditions in the old days of what a great railroad president once called "knock down and drag out" can recall, doubtless, scores of the like incidents. I remember that my father once had his coal supply cut off by the railroad company for demanding in his newspaper that the company guard its crossings, and was obliged to haul his coal into town in wagons; and a local grain shipper that made some indiscreet remarks about the repeal of the Iowa Granger freight rate law (a repeal corruptly obtained by the railroad companies) was almost bankrupted because he could not obtain cars. I have heard men say that Mr. Frank Norris's descriptions of railroad conditions in "The Octopus" were exaggerated. To those that remember the situation in Iowa thirty years ago they seem much underdrawn. I do not know that I can give a stronger indication of our real situation than to say that we thought nothing of the incident between Mr. S. and the railroad authorities. It was what we had always been accustomed to, and with our American patience, a patience unattainable by any other nation on earth, we endured it all, and seemed to think we were divinely appointed to endure.

This was in the old days before there had been any attempt at national regulation of the railroads; then it was in this manner that the railroads dealt with recalcitrants. I will now give two illustrations of the New Style.

Wayzata, Minn., is a pretty little town at the foot of Lake Minnetonka, and about twelve miles from Minneapolis. It is traversed along its front by Mr. Hill's Great Northern Railroad. A few years ago the town was growing fast and handsomely, and the railroad, operated at grade and with trains passing at high speed, was an in-

creasing source of danger. The town council passed an ordinance regulating the speed of railroad trains within the town limits, a regulation that to the average mind seemed perfectly reasonable, and assuredly was needed. The railroad company resented the ordinance, on principle, I suppose, having been long accustomed to do as it pleased with its own property. It closed the station of Wayzata and compelled the people to go a mile and a half to the next station. The Wayzatans were true-blood Americans; they squirmed a little, but, of course, they submitted; sufferance is the badge of all our tribe. The situation lasted three or four years. Then Mr. Ray Stannard Baker, writing in 1906 a magazine article on railroad conditions, told the story of Wayzata, and the station was restored. I suppose that if Mr. Baker had not taken up the cause of Wayzata the town would have remained stationless until the end of the chapter. Wayzata, by the way, is not the only place in the United States of which such stories can be told; and, to tell the truth, it got off easily; if Mr. Hill had decided to deprive it of all service I do not know how he could have been prevented from so doing.

The other incident has a sharper and more subtle significance. Mr. Hill never cared much for edge tools; his preference is always for the open field, the handy war-club, and his enemy borne away in fragments. Other railroad managers have a different theory of warfare. At No. 4 South Clark Street, Chicago, Mr. Edward G. Davies is a general consignee with a large business. Mr. Davies is known in railroad circles as a "fighter"; that is to say, being a Welshman he has not the sweet American virtue of eternal patience. For years he has been protesting against railroad extortion, and has frequently appeared as a witness before the Inter-State Commerce Com-

mission relating startling things about conditions as they really are, and not as they are painted in an optimistic press. It was to a certain extent Mr. Davies's testimony that precipitated the excitement about the refrigerator car swindle, and he is the author of powerful pamphlets and speeches dealing with railroad rates and the like matters. Strange to say, being in business, he is not afraid to speak his mind; hence, I suppose, his troubles, for we cannot have *lèse majesté* growing up among us. Mr. Davies's reputation among railroad managers is bad; otherwise it is exceedingly good. He receives large consignments of fruit and vegetables from many parts of the country, and on these he must pay the freight. It is very odd, but his bills for this freight are almost always wrong, and when they are wrong the error is generally against him. If he receives 10,000 pounds of tomatoes he may be charged freight on 12,000 or 16,000 pounds. When he complains he is met first with the suave assurance of a thorough investigation. He waits on this. Hearing nothing, he makes renewed demand. Then he is pleasantly assured that he is quite in error and the bill is correct. No disagreeable word is said to him; there is no bickering on the part of the railroad company, no threats, no violence of speech; but, as a rule, he is obliged to go into court to get that error corrected, and two or three years may elapse before he can recover. The result is that he is incessantly in litigation, and has been since he began to attack the railroads. Long ago the railroads "cut off his credit"; that is to say, they compelled him (although a man of substantial means and high standing) to pay cash for his freight before it is delivered, so that for every overcharge he must sue.

Overcharges on his way-bills seem only a part of a

subtle but relentless persecution. He is continually involved in trouble about switching charges and delayed delivery of his goods, so that he has now from all these causes claims in dispute amounting to more than $12,000. To all his protests the same front of coldly polite denial is maintained. Railroad officers have assured him that no discrimination is practiced against him; they will give the like assurance to anyone that asks them concerning the Davies case; and yet the man has lost annually thousands of dollars through a systematic persecution from which all his competitors are free, except those that have joined him in protesting against rate extortion. From these, also, apt illustrations might be cited.

One may say, then, with perfect assurance, that the railroads have changed their methods under the new dispensation and the triumphant advance of regulative reform; also they have changed their weapons, for they have substituted the stiletto for the ax. Yet I submit that as between brutal frankness that tells a merchant he is being punished and suave dissimulation that punishes under cover there is essentially little choice. And I submit further that the power to punish in this way is too vast and perilous a power to be lodged in the irresponsible hands of the gentlemen that conduct the railroad system of the United States for the sole purpose of extracting from it support for their watered stocks and fictitious bonds.

CHAPTER XI

DR. SHERMAN'S CELEBRATED SPECIFIC

THE existence of the evils we have mentioned here is freely admitted by all persons not profitably interested in concealing them; but for some reason not quite clear, we have determined upon further experiment with regulative remedies instead of removing the cause of our disease. No doubt this general and persistent faith in the dosing of symptoms as the true arcanum of economic practice has its best expression in what are called the policies of Mr. Roosevelt, and offers a sufficient explanation of his popularity. And since we resolutely reject the experience of other nations in these matters, heeding only our own, and preferring to walk our way whither it leads, we may find instruction from the history of the grandest of all our efforts with the regulative quacksalver.

Agitation against the growing power and menace of the great corporations was active as far back as 1884. A few years later it had taken shape in a movement against the trusts, as the greatest and most dangerous of the corporations had begun to be called. Many measures seeking to put an end to the trust monster were introduced in and rejected by Congress. Some were held to be clearly unconstitutional (for the constitution is carefully drawn to be a bulwark of property), and some were laughed to scorn by the trust opponents as merely puerile or comic. In 1890 Senator John Sherman devised a law that was

believed to obviate all objections, and was much praised by persons sincerely convinced of the terrible nature of the trust. The new act was brief, inclusive, and as clear as any such measure could be made. It defined as a crime new to the legal world "any combination in restraint of trade," and provided severe punishments for persons that engaged in such combinations.

Of this the essence was a concession to the old familiar and well-rooted American doctrine of economics that held competition to be not only the life of trade but the cure for every evil existing anywhere in trade conditions. The extent of the belief in this doctrine was truly remarkable. For many years it was taught as basic faith in the class-rooms of the college professors of political economy, it was accepted as unquestionable truth by most writers on economic subjects, and seems never to have been doubted by the public at large. Wherever in the United States a railroad was oppressing or overcharging any community the remedy that the community instinctively turned to was competition, and a second railroad was built into that community in order to provide the needed competition with the first. Long after it had been demonstrated that in every such case the second road either joined hands with the first and continued the spoliation, as shown in the preceding chapter, or was purchased by and became a part of the first, people clung with a pathetic fidelity to the competitive theory as if it were of their religion; and I can recall now other Western cities than Davenport in which the citizens expended their own money, time, and effort in providing not merely a second, but when that had been absorbed, a third, and a fourth railroad, only to find each in turn absorbed into some system then engaged in charging what the traffic would bear.

Similar views were universally entertained in regard to commercial matters. Was there complaint that the Standard Oil Company was establishing a monopoly of the oil trade and increasing unfairly the price of oil? The remedy was to start or to support a rival company that there might be competition, and lower prices, or better treatment might result. In pursuit of this idea many of the oil companies that had refused to sell out to the Standard carried on for varying periods bitter and expensive war against their more powerful rival; war not always unaccompanied by violence and even bloodshed. The story of Mr. Daniel Rice, of Marietta, Ohio, who spent the greater part of his life and all of his money in an heroic but in the end a futile effort to maintain the oil refinery that he had built and owned, is one of the most stirring chapters in commercial history, and reveals a courage on Mr. Rice's part at least equal to any ever displayed on the battlefield, and a persistence that will command admiration as long as the story survives. Wherever Mr. Rice's struggle was known it was applauded by the people. Men felt that he was upholding the eternal principle of competition and the right of a man to possess his own. Similarly the story of the operations in the South of Chess, Carley & Co. (the alias under which Mr. Rockefeller's concern operated in that region), was generally circulated and aroused indignation wherever it was known. The feeling had grown up that such powerful combinations as the Standard Oil Company and the Sugar Trust threatened to overturn the foundation stones of the American government. The passage of the Sherman Act was, therefore, regarded with satisfaction, and there was some genuine expectation on the part of the public that the problem would now be found to be solved, and the trust monster

would be exterminated. The law was passed in the administration of General Harrison, but up to the close of his term only a few desultory efforts had been made to enforce it. The Presidential campaign of 1892 turned (in the West, at least), to some extent on the trust issue, and when Mr. Cleveland took office he was warmly urged by many Democrats to begin at once a vigorous campaign against the trusts. The *New York World,* in particular, a paper that had most ably supported Mr. Cleveland in the campaign, presented to him day by day for months the lawless and truly startling record of one trust after another and insisted that these combinations, each of which was most indubitably a violator of the law, should be brought to book. Not only had the trusts been organized in almost every line of business, said the *World,* but a large number of them had been organized since the passing of the Sherman Act. Therefore, they were in such direct and flagrant defiance of the law as to make some action against them necessary to punish them as combinations in restraint of trade, and not less to uphold the dignity and sanctity of all law.

In spite of these astounding revelations and this unanswerable argument, Mr. Cleveland's Attorney-General, Mr. Olney, declined to make any effort to enforce the law, holding it to be probably unconstitutional, and, in any event, impossible to enforce. This continued to be the general policy of the Cleveland administration. Mr. Cleveland was succeeded by Mr. McKinley, whose Attorney-General made no effort to secure a conviction under the Sherman Law (which thus in effect remained a dead letter), until the forming of the Northern Securities Company of New York. This was a holding company by which Mr. James J. Hill sought to facilitate his amalgamation of the Great

Northern and Northern Pacific railroads, an amalgamation, by the way, quite illegal under the laws of some of the states affected. Attorney-General Knox undertook to bring an action under the Sherman law against the Northern Securities Company. It is to be noted, in respect to this action, first, that the Northern Securities Company was not a trust, but a mere financial device. Second, that while the law had been allowed to remain inert upon the statute books, the number, power, arrogance, and extortions of the industrial trusts had enormously increased. Only a short time before there had been formed the United States Steel Corporation, one of the greatest trusts ever organized, one of the most oppressive, and certainly one that most clearly violated the law. Against this gigantic combination in restraint of trade no Attorney-General had ever lifted a hand. Third, Mr. Hill represented one of the powerful railroad combinations in the country, and was at the time being fiercely assailed by other great railroad interests so that a governmental attack upon him was a substantial assistance to such hostile interests. And fourth, these interests, thus benefited, had been liberal contributors to political campaign funds. These are facts usually overlooked in considering this famous case, but they may seem pertinent.

The prosecution of the Northern Securities Company was pushed in the Federal Courts; it was carried to the United States Supreme Court, and by that body the decision was rendered that the Northern Securities Company was a combination in restraint of trade, and that the Sherman law was a perfectly constitutional and feasible prohibition of such combinations. This settled definitely all question as to the constitutionality of the Sherman Act, and many persons now expected that after a lapse of

thirteen years the law would be applied against the great corporations that had so openly defied it.

There has been no such application. The trusts have gone on daily increasing in power and wealth. The process that they began of exterminating the small dealer has been carried to a point where the practical passing of manufacturing and wholesale and even retail trade into the hands of a few great combinations is clearly foreshadowed and on the way. And yet, against these combinations the law designed to prevent them and upheld by the Supreme Court as a constitutional and valid preventive is as if it had never been written.

Yet I should err unpardonably if I should seem to imply that the law, thus upheld by the highest authority, become a part of the organic law of the land, as much and as sacred a part of our legal foundation as any other law, was at all times treated with open scorn by the officers appointed and sworn to uphold it. Occasionally a newspaper would break forth into clamor against some particularly offensive illegality by the Tobacco Trust, the Sugar Trust, the Leather Trust, the Flour Trust, the Beef Trust, the Oil Trust, the Woolen Trust, the Rubber Trust, the Asphalt Trust, the Shoe Machinery Trust, the Elevator Trust, or some other flourishing and lawless combination in restraint of trade, and there would follow valorous declarations by some public servant, and the form of a proceeding would flare up, languish, and slowly disappear from view. One of these performances belonged so surely to the comic history of the law that I feel moved to relate it here at length for the refreshing of my readers and the lightening of these pages.

The Beef Trust was very cleverly organized by a master mind in legal evasion. Unlike the Oil Trust, the Sugar

Trust, and many other trusts, it had no central governing body that one could lay a finger on. Three firms had gradually absorbed into themselves most of the larger packing houses at Chicago. A small group was left at one side. This was now organized into the National Packing Company, the stock of which was held equally by the three great firms. This, of course, put an end to all competition, for a firm will not compete with a company in which it has invested millions and of which it owns one-third of the stock. Thus the National Packing Company became the clearing house for the trust, and yet, to all superficial observation was a separate institution. By means of this ingenious device it was always possible to assert that there was no Beef Trust, and to deceive some persons into accepting the statement; and even to this day you will find it imposing upon those that ought to know better.

But the difficulty of getting proof of the "combination in restraint of trade" was only apparent, not real, and seems to have been provided for the benefit of Federal district attorneys that desired to avoid their duty. A Chicago newspaper collected a great mass of irrefutable evidence showing that the three great firms, the National Packing Company and two other firms allied with these, were acting in perfect concert to depress the price of cattle and to increase the prices of meat. Letters, telegrams, and extracts from records revealed the exact method of operating the huge machine, which at both ends was clearly a combination in restraint of trade and therefore a lawbreaker. This evidence was placed in the hands of the United States District Attorney at Chicago, and the demand was made that the law be enforced and the persons implicated in the evidence be brought to trial.

The District Attorney brought this evidence into the

United States Court and asked for an injunction restraining the firms involved from continuing to violate the law.

In April, 1903, the Court, having heard the evidence, decided that these firms had been guilty of violating the law and issued an injunction commanding them to refrain from violating the law thereafter.

The firms contested the validity of this injunction and took an appeal. Meantime, they continued to violate the law exactly as before. After two years, in which no official hand was raised in any way against the lawbreaking, the Supreme Court of the United States handed down a decision that the injunction commanding the lawbreakers to cease from violating the law was constitutional and just.

Whereupon preparations were begun (somewhat deliberately) in Chicago to rear upon the lawbreakers the awful front of justice. Most of the confidential clerks, bookkeepers, and managers of the firms involved made hurried exits to Europe. These tourists comprised all persons whose presence on the witness-stand would be particularly undesirable for the trust. About two months later indictments were found. When the cases were called the judge ruled that as the evidence presented against the indicted persons was in great part evidence that they themselves had furnished to the government under the promise of immunity it was inadmissible, and he dismissed the suits.

Nearly four years have since elapsed, and the Beef Trust continues to operate exactly as before. When it forces down too far the buying price of cattle a loud wail arises from the stock growers; when it advances too rapidly the price of meat a loud wail arises from the consumers. At other times producers and consumers—between whom

the Trust stands "a combination in restraint of trade" pleasantly taking toll with both hands—endure with a beautiful resignation the exactions that the approved law of the land has been impotent to prevent. Persons that do not believe in law are usually called anarchists; a country wherein law is inert is called an anarchical country; one law must necessarily be the same as another; if we allow one to be trampled upon, all suffer impairment. The gentlemen of the Beef Trust, who are all very respectable citizens, would bitterly resent the appellation of anarchists; the official gentlemen that are hired to enforce the law and do not enforce it would be much hurt if they were called the abettors of anarchy. But for one, I confess I should be relieved and gratified to be informed on these and cognate points. How can a government determine to enforce one law on the statute books and decline to enforce another? How can one law be any less the law than another law? And if we have a law that in nearly twenty years has been thus the subject of humiliating farce and jest, and if it is a law that in the nature of things is absurd, futile, imbecile, and impossible, why not have enough courage to admit the truth and clear the statute books of such degrading rubbish?

Yet, it is to be admitted, before we cease to consider Dr. Sherman's celebrated specific, that it has not invariably been a failure. Once or twice it has been enforced with undeniable success. Under this law the case was instituted that resulted in the famous decision against the Danbury Hatters that trades unions could be held financially responsible for the damage done by a strike. This may seem significant enough of itself, but there is another instance of the law's enforcement even better as an example though it is not nearly so well known. In 1908 a steamship was

taking on cargo in a Southern seaport. The sailors were members of the Sailors' Union, which had a contract with the owners of the steamship. The charge was made that the owners had violated this contract. A strike followed. The Longshoremen's Union, members of which had been engaged in loading the vessel, notified the owner that in the judgment of the Union the cause of the sailors was just, and unless the dispute were adjusted the Longshoremen would join the strike. Meantime, the loading of the vessel went on without interruption. The owners and the sailors quickly came to an agreement; the vessel was loaded and proceeded to sea. Four hours after she had sailed seventy-five members of the Longshoremen's Union were arrested under the Sherman Act, charged with a combination in restraint of trade.

Evidently, therefore, we should go much too far if we said the Sherman Act was a dead letter or was not enforced. It was designed solely to apply to trusts. It has never been enforced against a trust. It was not designed to apply to Labor Unions. It has been enforced against Labor Unions. While this by no possibility could come within the intention or thought of its framers or enactors, enforcement is still enforcement. Far be it from me to comment upon these facts. Comment would be improper and might not be safe. We have the highest possible authority for the assertion that in this country there is one law for the rich man and for the poor. The history of the application of the Sherman Act to the rich trust and to the poor labor union must be in some way an illustration of this glorious truth. Exactly how it is an illustration I cannot quite see, but doubtless this is clear enough to my friends of the optimistic philosophy, and they will be glad to make it clear to me.

Dr. Sherman's Celebrated Specific

Meanwhile, if the law has never reached the trusts, against which alone it was framed, and has punished the Labor Unions, against which it was never designed, one may not deny that the grand old American principle of free competition (which was the mainspring of the law) has been receiving many heavy blows from evolution and experience. Indeed, it appears now that some of its old-time champions have been driven to a doubt whether, in the existing conditions we are yet to speak of, competition is so much a blessing as a bane. I will give of these experiences some examples that passed before my own observation.

In this Middle West, where I was born, two of the railroads that for years had amiably shared in the plunder of the public, fell out for some reason that I forget; I think it was about the freight rate on bran from Missouri river points, one road wanting more than the other would concede. Anyway, these two railroads, the Chicago, Rock Island & Pacific, and the Chicago, Milwaukee & St. Paul, fell from co-partnership to quarreling, and then to cutting rates. Here, then, was grand old competition in its plainest terms. Every day one road or the other would announce a fresh cut in the tariff, until the passenger rate from Mississippi river towns to Chicago had dwindled from $5 to 50 cents. The countryside rejoiced at this windfall, and such swarms of people poured towards Chicago that the railroads could not provide cars for them. The stockholders wailed aloud, but presently all their complaints were drowned in an outcry far more bitter and insistent. The merchants of the region beheld ruin before them, for their customers were going to Chicago to buy goods. Not only that, but there was yet a sharper grievance in store for the local tradesmen. Their prices were all arranged

and their profits calculated on the basis of the freight rates in force before competition began. Now, the freight rates were less than half as much, and rivals were starting up, profiting by the new rates, and selling goods at correspondingly reduced figures. This exhibited competition in a new light. Many of these same merchants that now complained so bitterly against it, had spent part of their lives in active labors to secure it. Whenever they had complained of the extortions of one railroad they had thought longingly of the beatific state they would be in if only there were competition in the carrying trade; many of them had, in fact, subscribed liberally for stock in new railroad projects. And now they discovered that competition did not mean relief from railroad extortion, but only such an unsettling of basic conditions that business was practically impossible.

Thousands of merchants over all the Northwest came simultaneously (and swiftly) to the same conclusion about this, and they uttered protests so fierce, loud, and determined that the railroad warriors were forced to make terms, and the old rates were restored.

The next year the whole nation had a memorable lesson to the same effect. For a generation the New York Central & Hudson River Railroad had enjoyed the best of the carrying trade between New York and Buffalo, and a great advantage in the entire traffic between New York and the great West. What we had been taught to believe were the inevitable laws of economics now began to work. The New York Central, as previously related in these pages, had taken advantage of its position to issue great masses of watered securities, and to cut many "melons" among its fortunate owners, who were principally members of the Vanderbilt family. This is that process in the politer phrase of Wall Street called "capitalizing the earn-

ings." As usual the procedure had necessitated various extortions and frauds upon the public, and the excessive profits to the fortunate melon cutters had attracted much attention from other Capital. Hence, competition was evolved, and a company was formed that constructed the New York, West Shore & Buffalo Railroad, from Weehawken (opposite New York City), paralleling the New York Central most of the way and ending at Buffalo.

This railroad was completed in 1883, whereupon competition swooped down on its wings of healing. Rates were cut on all branches of traffic, until passengers were carried between New York and Chicago for $7.50.

Then this rivalry, which had upset business east and west, had its natural result. A panic began. Grant & Ward failed with a resounding crash, an era of acute business depression set in, the bankruptcy totals reached alarming figures, and thousands of firms in remote regions that cared nothing about the fight between the Central and the West Shore went to disaster. There was a universal demand that competition be stopped. Mr. Morgan stepped into the breach, arranged the terms of compromise, brought the warring forces together, and the New York Central was loaded for 999 years with an unprofitable enterprise, on which the public must continue to pay the tribute of maintenance and interest charges. For years there had been no greater business calamity than the installing of competition with the New York Central. The effects of it are still felt; they will continue to be felt as long as the West Shore securities exist for the public to pay.

Such episodes (on a great or small scale) happening many times in many parts of the country, and enforced by the complaints of Wall Street and of the stockholders, drove the railroad managers into the so-called "gentlemen's

agreements," the first of which, by the way, was inaugurated by Mr. Morgan. Their object was to prevent all rate wars everywhere. At first these treaties were received by the general public with much scornful amusement. Later, it was discovered that they were not merely beneficent to the stockholders of the railroads, but of vital importance to the country. Whenever one of these agreements was broken and a rate war instituted, hostilities had not proceeded long before all the merchants and tradesmen in the region affected were furiously protesting, and thus the "gentlemen's agreement" came to be regarded as an indispensable feature in successful railroad management. Yet, of course, it was a broad denial of the whole principle of free competition, and the thought slowly began to intrude upon reflective men that if competition was a deadly evil in transportation it could hardly be a perfect blessing in production.

To fit these experiences into their proper place in the history of industrial evolution, we should go back to a condition, only seven hundred years ago in Europe, when every man that was in business was in business alone, and every man that made anything, made it alone and with his own tools. The first business co-partnership was formed in Florence about the thirteenth century. There were two men in the same street that were bankers and money-lenders. Naturally, they were rivals; the grand old principle of competition had its full operation between them. But it was also true that they maintained between them two places of business, and two assistants, whereas the total transactions justified but one place of business and no assistants; and it was also true that because of these facts, and because of the rivalry in loan rates and so on, neither prospered.

Now, there is a force in the world much stronger than law, governments, potentates, newspapers, statesmen, college professors, or pamphleteers. It is the force of economy, and it irresistibly drew together the two money-lenders of Florence. Day after day there stared them in the face the plain facts about the two places of business, the two assistants, the rivalry in lending rates. When this object lesson had penetrated deeply enough they did the natural thing; they united their establishments and had one place of business, no assistant, and no rivalry in lending rates.

Then the intellectual progenitors of the gentlemen that favored Dr. Sherman's remedy came around in a fright and withdrew their money. Here was the first "combination in restraint of trade," and as it was new and therefore obviously wrong and immoral, I have no doubt they thought the government should suppress it.

But this same force of evolution, this irresistible tendency towards economy of effort and expense, spread the co-partnership idea in spite of all alarms and forebodings, and a few generations saw them common in many trades. It was the beginning of centralization and of the growth of efficiency. Then there began to be more than one partner. Then there were great "houses" or firms, in which the membership descended from father to son; great banking houses in England and on the continent, great factoring houses at Bruges. Then "companies" were established in Holland and England, the great East Indian Company becoming in effect the government of a vast nation. A craze for the forming of such companies ended in the South Sea bubble in England, and again in the Mississippi bubble in France; yet the general process of development went on for two reasons: the discovery of

new worlds and new ways, and the development of new wants by mankind demanded more capital and more complex organization than the firm, the co-partnership, or the individual could furnish; and there was the same irresistible force at work in the fact that with all its drawbacks the company was a more economical and more efficient agency towards the things that mankind must have.

Or to sum up these changes in another way, men were beginning to learn the advantages and economies of united effort.

Later there began an even greater revolution in productive industry. In the days of the individual tradesman, manufacturing was likewise carried on by individual artisans. Every shoemaker had his own shop, owned his own tools, and made the complete shoe with his own work and that of his apprentice. Even the cloth weavers had each his own loom, and the armorers had each his own forge. But the invention of the steam engine and of multiplex machinery to be operated by steam, changed all this. A cloth weaver did not have the capital required to buy, set up, and operate a steam engine and a power loom; a shoemaker did not have the capital to set up shoemaking machinery. The complete artisan in any trade largely disappeared; the men that made things no longer owned their tools; and the "company" organization that had already been developed for trading and exploring purposes became naturally the easy means of providing the capital and owning the tools for production.

Year after year the results of these innovations were to make the artisan more and more a part of a machine, and to disturb the distribution of the results of industry, so that the worker got less than his share and capital got more. A shoemaker that made an entire shoe had

some mental pleasure, and might take some pride in the work of his skill and taste. The new shoemaker, standing all day before a machine that cut out heels or soles, having never the slightest change of labor, with no chance to exercise skill or taste, with a mechanical and drudging occupation, was subjected to influences that limited his mental development. Confined all day in a great, noisy, and dirty factory, badly ventilated, often badly lighted, usually crowded with his fellows, breathing air contaminated from many lungs, he was likewise subjected to influences that undermined his physical force. Added to these, and enforcing them, was the fact that too often in the unfair distribution of the results of the enterprise the share he received was too little to provide him with adequate nourishment; the quarters in which he was compelled to live were cramped, dark, gloomy, ill-ventilated, and offered little or no relief from the poisonous air of the factory in which he worked; while the terms of his employment kept him from such relaxation as would tend to restore his overdrained nervous force.

The first result of the new system, then, was to produce a race of men and women inadequately nourished, painfully overwrought, deficient in vitality, and with lives the normal boundaries of which were toil and sleep.

As the new system spread and developed with the multiplied wants and varied ingenuity of man, the number of persons that fell under its blight increased. It has continued to increase; it will continue to increase, absolutely and relatively, so long as the system endures. At the same time the physical condition of the workers thus affected will probably continue to decline. From such conclusions there seems to be no escape, and if anyone among the fortunate desires to see with his own eyes what these

conditions are now, and to gather from his own senses a just conception of what they are to be hereafter in the progress of this system, I do commend to him a tour through certain streets and regions of Fall River, Haverhill, Lowell, Lawrence, Paterson, Pittsburg, Allegheny, Connellsville, Harrisburg, Deering Station, Homestead, Cleveland, South Chicago, Joliet, Moline, Racine, Fort Wayne, Scranton, South Bend, Belleville, East St. Louis, and other cities and towns I might mention. I am inclined to think he will be much impressed with the truth of these remarks; in any event, he will, if he be of the well-to-do and complacent among us, see sights and go among people the like of which he had never believed to exist.

It is to be noted carefully here that competition, which, as we have seen, has been condemned in transportation as a curse and a great injury, is the sole basis upon which these conditions are maintained and defended. The current price of labor, determined by competition, is the expression of the share of the results of the enterprise allotted to the laborer. From the continuance of competition in this regard it is evident that Capital (which is everywhere the possession of the more fortunate) reaps an advantage; from the continuance of competition in transportation it was evident that Capital reaped a disadvantage. Competition has been largely abolished in transportation, and yet is fully maintained in relation to the price of labor. It is evident, therefore, that the present system endows Capital with undue power, as well as undue advantages.

We come next to the manner in which this power is secured and maintained, which is at the same time the means by which the results of industry are so unfairly

divided that steadily the wealth of the world is being drawn into the hands of a few men.

The great pumps and efficient machines to this end are the issued security, whether stock certificate or bond, and the practice of issuing these on the reputed value and possible profits of the enterprise. In the case of bonds, these become actual, and in the case of stocks, essential liens upon the enterprise, which must henceforth make enough of surplus to meet the interest and dividends. These added interest and dividend charges can be provided in only two ways, by increasing the price of the product or by reducing the cost of its making. In the case of manufacturing enterprise the reduced cost of making is usually sought for through reduced wage rates. The bonds and stocks are therefore efficient devices to force increased profits from the enterprise and to reduce the share of the product that the worker receives. They are also a certain force upon the community. There is a general, if tacit, recognition of their right to earn dividends and interest; something almost sacred pertains to them as commercial obligations; and an enterprise is held to be justified in resorting to almost any expedient to secure the means to pay these dividends and interest charges, no matter how they have been created nor how far in advance of the actual earning power of the enterprise. In their turn the securities have become powerful influences upon the welfare of other enterprises, and even of the general business public. The failure of any conspicuous enterprise to meet its interest charges might so affect general confidence as to precipitate a disaster, and would almost certainly lower prices and unsettle conditions. Very often the securities have been accepted by banks as collateral for loans; if there is default in the interest the value of the securities

falls; the banks must demand more collateral. It is, therefore, gravely in the interest of the business world that the value of the securities should be maintained and the interest charges should be met, even if this is done by conditions under which the toilers of the enterprise are insufficiently nourished, badly housed, and so rear their children as to imperil the coming generation.

The existence of these securities and the vast ramifications of their importance are also a great influence upon legislators and governments—probably the greatest influence. Public men hesitate to take any step and lawmakers to pass any law that might injuriously affect the price of these securities; and politicians and political conventions are always in awe of the stock market. If the election of any candidate would injuriously affect the prices of securities, that fact is held to be a sufficient reason for encompassing his defeat, although the lowering of the prices of the securities would have no effect upon the men whose toil actually makes products, and only upon those that do not toil, but at all times receive an unjustly large share of the fruits of enterprise.

Yet, under the present system, the securities that thus reap widespread mischief and are in a measure responsible for the transforming of large populations into industrial serfs are always unavoidable; in no other way can the capital be secured on which to conduct the enterprise. We can no more return to the days of the individual artisan, making the whole shoe or the whole bolt of cloth, than we could return to the days of the stagecoach. Surely this is beyond question, and equally sure appears the prospect that just as industrial serfdom has steadily increased year by year from the beginning of the present system to this hour of this day, so it will continue to

increase so long as the present system endures. For what can by any possibility check such a world-wide development founded so evidently upon evolution? Could agitation or argument have prevented the development of the co-partnership from the individual enterprise? Or of the firm from the co-partnership? Or of the company from the firm? Or of the shoe factory from the cobbler's bench? Assuredly, then, nothing will check that development now, and the one choice given to us is whether we shall recognize the inevitable outcome of all this, or leave our children to find it out, perhaps after a bitter, perhaps after a bloody experience.

How comic, then, appear the Sherman law, the anti-trust perturbations of Mr. Bryan and others, and the efforts of the various states to turn back this Niagara! The trust is only the natural successor to the company and the next step in the evolution. True, the trust works evil as well as good: to increase arbitrarily and avariciously the price that the poor must pay for meat is a great evil; to bribe legislators and corrupt politicians is a great evil; to interfere with the government of the nation, to thrust corrupt men into office, to interfere with the purity of elections and the sanctity of justice are very great evils. But we in no wise mitigate these evils by trying to abolish the trust any more than we should make travel safe by agitating for the restoration of the stagecoach. The imprisonment of a labor leader for exercising what he believed to be the right of free speech is no contribution to the forward movement, but the failure of the Sherman law to be otherwise enforced is a subject for proper rejoicing.

The trust will go on and fill its place in the plan of evolution. Just as the co-partnership was an inevitable forerunner of the firm, the firm of the company, and the

company of the trust, so the trust is the forerunner of the co-operative commonwealth, towards which all these forces tend, and upon which argument or protest are like pebbles thrown at a battleship. A majority of the race will not be willing to remain industrial serfs when a method of supplying all the wants of men without oppression or injustice, without superfluity on one hand or insufficiency on the other, becomes apparent.

Of the unequal and unjust distribution of wealth, incessantly at work to increase poverty and to make superfluity more superfluous, many aspects are to be noted. I have mentioned here only one, and that perhaps to be deemed more as an assistant influence than as a cause. Extortionate railroad rates are probably of at least as much effect. When Mr. Morgan and Mr. Hill, having new securities to provide for, decide to increase the country's freight tariff, the results bear in proportion far more heavily upon the poor man than upon the well-to-do. In the case of coal, we saw that an initial increase of 50 cents a ton in the price was an increase of $3 a ton when it reached the poorest consumer. It was but an increase of 50 cents to the ordinary purchaser, to whom $1 was of actually less consequence than 5 cents to the tenement house dweller. Similarly, if the freight rates on flour are increased 10 per cent. from Minneapolis to New York this increase means an increase of 25 cents a barrel to the well-to-do consumer, who buys a barrel at a time. To the tenement house dweller, whose ordinary purchase is of two or three pounds the increase is not less than $1 a barrel. Yet to the well-to-do the 25 cents of increase is of less significance than 1 cent of increase is to the tenement house dweller. Similar observations pertain to the generality of the tenement house dweller's purchases,

so that clearly, as society is now organized, the heaviest burdens fall upon those least able to bear them; and when Mr. Hill and Mr. Morgan profit themselves by fresh issues of stock the ultimate payment of these charges falls upon the consumer and most grievously upon the poorest consumer. Because I need hardly point out that when freight rates are increased it is not the dealer, nor the shipper, nor the manufacturer, that pays them. Each in turn passes the charges (augmented for profit) along to the next, until they end with the person that consumes the product. This, again, is an inevitable feature of the present system, not to be in the least affected by any curative nor restrictive legislation, nor by denunciations of "malefactors of great wealth." So long as we have the system we shall have these results, and not the "malefactors," but the system alone, should be blamed. But so long as we have the system, and so long as day by day it increases the burdens borne by the poor, binds on them more firmly the fetters of their poverty, and increases their numbers, shall we not cease to talk of the land of free opportunity and of the chances of wealth here open to all? On the whole, does it not seem rather a sorry jest? Consider the clerk or artisan that now starts out in life weighted down with the slowly increasing cost of living, while all the lines of business that once were held to offer him opportunity are passing into the ownership of great combinations. As a matter of fact, what possible thrift or energy or ability will ever clear him from his environment of poverty? The old days wherein men began poor and became rich have passed from us. We know that they have passed; that we should continue to pretend they have not is a most extraordinary attempt at national self-deception.

CHAPTER XII

AN APOLOGY FOR STOCK WATERING

One interested in the ruined castles of Europe may have noticed that as a rule these structures stand beside and formerly commanded highways that in the Middle Ages were the lines of through traffic.

Much merchandise from the Orient was in the old days landed at Venice or Genoa and transported by wagons and pack-trains that followed certain roads to central and western Europe. One of the favorite routes was over the Great St. Bernard Pass to Martigny, and thence down the Rhone valley to Lake Leman and Geneva. In the Rhone valley, accordingly, was a castle every five miles, or thereabouts. Another great thoroughfare was along the Rhine from Bâle or Strassburg to the cities of the Low Countries. Therefore, along this route were built those famous castles that are now the wonder and delight both of him that views them in reality and of him whose travels are achieved by means of the lantern slide. Wherever was a narrow and much traveled road, hemmed in by a river or a mountain wall, there the castles lowered upon the wayfarer. All the Alpine passes had them; in the roads that threaded the best known valleys, as along the Adige, the Reuss, the Ticino, in the Münsterthal, and similar regions was what seems now an over-supply.

The reason for this distribution of strongholds is not clear to us until we learn that each was the possession of

a feudal chief, count, baron, or duke, and existed for the purpose of enabling its owner to levy upon the highway the toll by which he was supported. Every traveler along the road, every pack-train or merchandise cart must pay a tribute to the lord of each castle, and upon this goodly tilth the baron waxed fat and learned to despise toil, since life could be so easily maintained without it.

Each count or baron had a body of retainers of a size commensurate with the pickings of the road upon which he had planted himself, and over these retainers he had the power of life and death. He could hang any of them at his pleasure, and as, in the first half of the Middle Ages, the jurisdiction of each noble was chiefly a law unto itself so far as its internal affairs were concerned, there was neither appeal nor redress for the vassal. In return for fighting the baron's battles, collecting his tolls upon the highway, hewing wood, and drawing water, the henchman received his support, which was believed by those concerned to be all he deserved and more, so that he was urged and commanded to be grateful to his kind, indulgent employer and contented in the lot to which an all-wise Providence had assigned him. As a rule he needed very little exhortation to these pious genuflections; he seems to have been devoted with canine loyalty to the master that fed and beat him, and was not only willing to endure whatever hardship might be put upon him, but with enthusiasm and his blood, or even his life, to defend the master to whom he was believed to be bound. It appears that the Church heartily supported these conditions, and that to the minds of priests, barons, lords, ladies, parasites of all degrees, and the henchmen, the existing system was not only right, just, and divinely appointed, but the very best system that possibly could be devised and certain to last forever,

without the least change. Of course, it was true that the barons and counts lived at ease and had a superfluity, while the henchmen that collected the tolls and fought the battles and performed the labor dwelt in misery, ignorance, and insufficiency; but this was the law of things, and so Divine Will had ordained it.

Sometimes, to be sure, the people of the surrounding country wearied of being robbed, preyed upon, oppressed, and maltreated by the fat baron, and they arose in the night and burned the castle, and chased the fat baron and his family over the border. But this happened rarely, and only in places where dwelt very peculiar people, such as in Graubünden, and the Forest Cantons of Switzerland. Otherwise the barons thrived mightily and lived of the best, and left to their children the business of toll-taking on the highways, which was enormously profitable, and in all ways a pleasant business.

It appears that the justice of the toll-taking was upheld upon two grounds: first, the piece of highway patrolled and levied upon by the baron was his, he had built it (or seized it), and therefore he was entitled to collect from its use what tolls he pleased; and second, he had the power to collect the tolls whether he had the right or not. A third reason, that the baron needed the money, is seldom mentioned, but may be believed to have been at least as potent as either of the others.

The tolls collected from each traveler were small, yet the aggregate for a long journey was great; and the result was that the cost of transporting merchandise for any considerable distance was greater than the original cost of the merchandise itself, and the difficulty of exchanging commodities was in some cases almost prohibitive. Occasionally some merchant would protest against this. He

seems to have been regarded as of unsound mind, a dangerous person, muck-raker, or an apostle of social unrest.

Some of these old castles are interesting studies to-day. One, of which the wreck left by the indignant countryside may still be traced near Zernetz, in the Engadine, had a wall that crossed the road, so that the only passage was through its doors. This seems to have been an unusually thrifty financier; he purposed that no traveler should escape the toll. Another castle excellently preserved, not far from Schlanders, in Tyrol, stood upon a perpendicular rock at the base of which the road wound, so encompassed that it could be barricaded from above. On the lakes, as at Chillon and the famous robber's den on Lake Maggiore, the castles were equipped to rob with equal facility wayfarers by land or water. The whole system must have been ably managed and operated with great success; but even more interesting than the signs of its prosperity is the very patent fact that in spite of the pathetic confidence of its beneficiaries and its victims alike it no longer exists.

To this fact belong, also, some other profitable reflections. If there be one proposition that may be regarded as determined by history, it is that in a form of organized society the control of the highways is the most important of all possessions. Whoever has owned the highways of any country has virtually owned that country, no matter how the nominal ownership might be vested. This was a fundamental principle of the Romans, who, upon annexing a province, at once threaded it with new routes, which they jealously guarded, and was the origin of those marvelous roads of theirs that still exist in many parts of Europe. The same principle seems to have been clearly perceived by Hannibal and by every other conqueror whose success was more than momentary; and in a very impressive way,

to be described later, the truth of this principle, as the prime necessity of government, has been recognized by every nation of modern Europe.

All these considerations should render more interesting and significant to us the next phase of the American railroad problem, which is also the phase of most importance to the masses of people.

We are rather accustomed to refer to the question of freight rates or tolls upon our railroad highways as if it were a question of opinion, or of doctrine, or of merely academic dispute. I believe one may quite easily show that it is none of these but a question that independently of all opinion, theory, argument, or desire, is steadily moving to a state wherein it will imperatively demand settlement on a basis new to us. I believe it can be shown that irresistible forces within the railroads, not outside of them, will drive us to a situation that all men everywhere will admit to be impossible.

To show this we must have a concrete example, and I take the one that happened to come the closest to my own observations. About one hundred others equally pertinent can be cited, but I hold here to that of which I personally know the most.

For several years before 1879 there existed in Minnesota a corporation called the St. Paul & Pacific Railroad Company and a corporation called the First Division of the St. Paul & Pacific Railroad Company. These had the same management, and ostensibly the same purpose, but had divided between them the piece of railroad property called successively the Minnesota & Pacific and the St. Paul & Pacific. By 1873 these two corporations had constructed about 480 miles of railroad from St. Paul to Breckinridge, Minn., and to other points in the Northwest.

For ostensible purposes of construction the management had loaded the property with bond issues until the earnings would not pay the interest charges. The public history of these transactions is very obscure, but for the initiated enough is doubtless contained in the fact that one of the corporations was a construction company for the other, and that construction worth $10,000 (or less) a mile was charged for at the rate of $30,000 a mile. This speedily brought the concern to its knees, and in the United States Circuit Court a receiver was appointed.

As a matter of fact the property should never have been in financial difficulties, for it was supported by an enormous grant of public land, it had received from state and local governments many valuable privileges, and it traversed a region of almost unparalleled fertility. But physically and in other ways the management had been so bad that when the receiver took charge he found the property chiefly in the condition of so much junk.

The bonds were held mostly in Holland. Mr. James J. Hill was then a small commission merchant in St. Paul. He had previously been an employee of the St. Paul & Pacific, and knew something of its real foundation, if not of its inside and devious history. With three friends he entered into an arrangement by which some of the Dutch bondholders were induced to surrender their bonds in trust, while the bonds of others were bought with money secured from the Bank of Montreal by Mr. George Stephen, one of Mr. Hill's associates and at that time manager of the bank. When on June 1, 1879, the receiver offered the road for sale, Mr. Hill and his associates bought it for $3,600,000,* and paid for it with the bonds they had

* See Steenerson *vs.* Great Northern Railway Company, 69 Minnesota, 372. The purchase was subject to a prior lien of $486,000.

collected. They immediately reorganized the property into the St. Paul, Minneapolis & Manitoba Railroad. On this they issued $8,000,000 of bonds, which they sold to the public at more than par, and $15,000,000 of stock, which they divided among themselves, none of them paying a cent for it. With the proceeds of the bonds they settled with the Dutch bondholders and the Bank of Montreal, and then had (as incidental profits) a remainder of $4,400,000 of bonds worth 104. They had also the $15,000,000 of stock, which was worth in the market 140; 2,580,606 acres of land grants, subsequently proved to be worth more than $13,000,000; and a railroad that the receiver had put into good condition and extended until it comprised 565 miles of track; and all this they secured without the investment of a dollar.

They now proceeded to issue fresh securities upon this property, usually to themselves, for small prices, although always worth more than par on the market. Sometimes the securities issued had some basis in an improvement or extension; more often they constituted only what is called in high finance "a melon," or in other words they were merely gifts taken out of the enterprise by its fortunate managers and presented to themselves. Each such gift loaded the property with securities on which it must earn every year dividends and interest, so that each bore with it a long trail of annual gifts that stretched into future generations, all to be paid from the charges or tolls imposed upon the public. After ten years of such proceedings, when they had brought the capitalization of the St. Paul, Minneapolis & Manitoba to $80,985,000, they reorganized it, for their greater convenience in providing these profits, into the Great Northern, issued an entirely new set of stocks and bonds, and extended

their railroad to the Pacific coast. Thereupon, they began a new course of "melon cutting" even more profitable than the old. Thirty years after they had without capital embarked upon their venture they had cleared from the enterprise $407,000,000 of profits, which they had divided among themselves and those that in the later years they had admitted to share in these goodly matters. The capitalization of the Great Northern Railroad was now $250,000,000.

That they might secure money to pay the interest on the bonds and the dividends on the stock comprising this enormous capitalization, a great part of which represented "melons," the managers of the Great Northern made certain freight rates or tolls that by much of the country traversed by the railroad were regarded as unjust and extortionate. After some years of bitter complaint the people in this region revolted, and before the Inter-State Commerce Commission they attacked the toll-takers. They showed to the Commission how the toll-taking affected them in their daily lives and businesses, how it had increased for them the cost of living and circumscribed their activities, and revealed as clearly as need be the great and anciently approved truth that the control of the highways is to any people their first rational concern.

Now the stocks and bonds that were the origin of these charges complained of by the people were what are commonly called "watered securities," and differed in no particular from millions of the like securities issued by other railroads in the country. What Mr. Hill and his associates had done with the old St. Paul & Pacific property had been done with every other railroad property in the United States, so that of the sixteen billion dollars of total capitalization of such railroads not less than nine billions

represented securities issued in the way that Mr. Hill and his associates had issued theirs, and for the same purpose. That is to say, they were in no sense investments in the property. They provided for no improvement or expenditure, and were merely securities issued by the owners of the railroad for their own profit, and paid for by the tolls collected from the public. The case of Mr. Hill and the Great Northern was only a type and an example of a universal practice.

So, therefore, if the showing of the rebellious people in this instance was veritable, all the rest of the people of the United States were by other railroad companies subjected to similar tolls that had the same results in increased cost of living and restricted activities.

The justice of this form of toll-taking was, and is, upheld upon two chief grounds for we need never suppose that any general condition exists without plausible reasons.

First, it is urged that what are called "watered securities" are perfectly legitimate and not open to any objection, because they are always based upon actual values (perhaps better called potential values) in the earning power of the property, or in the increased worth of its real estate terminals and right of way—or in both. If a railroad is capitalized at $100,000,000, and can be made to earn dividends on $200,000,000, then its capitalization may justly be increased to $200,000,000. If its real estate, terminals and right of way were worth $50,000,000 ten years ago, and by the increase of population and the growth of cities have become worth $100,000,000, then the additional $50,000,000 may justly be represented in an additional stock issue of $50,000,000. The value of the property in former years and the amount actually invested in it are not factors in the problem. The only

question is, What is the property worth now? And whatever the sum may be, that sum is entitled to be capitalized, nor can any just exception be taken to any tolls levied to support that capitalization. The property is worth so much; then the owners of the property have a right to a return upon so much.

Second, the stocks and bonds thus issued do not usually remain in the hands of the men that issue them, but are sold by these men to the general public. They thus become investments, made in good faith, and entitled as property to protection and consideration. If the freight rates made in part to support these securities be reduced the value of the securities will also be reduced, and there will result an unjustifiable injury to property and to what is known as the "innocent purchaser."

Moreover, it is not to be denied that there lingers in the minds of many men a strong belief in the doctrine that the highways belong to the railroad companies, and that therefore the railroad companies may properly deal as they please with their own and levy such tolls as may seem fitting. In many cases the gentlemen that draw the huge profits from these operations are supposed to have built the highways, and their profits to be only a just reward for the benefits they have thereby conferred. To assure ourselves that this is so we need only refer to the eulogies lavished upon Mr. Hill, even by some of those that have fared but ill as a consequence of his proceedings. We are told by these panegyrists that Mr. Hill has developed the Northwest; that the railroads he has built have been of incalculable benefit; and it seems to be assumed both that without him the Northwest would have had no railroads and that for having conferred railroads upon the Northwest the millions he has reaped from his tolls are no

excessive reward. Therefore, the people that have paid his tolls have no right to complain; all that a man can make by the use of his own he is entitled to make, say these gentlemen, not, perhaps, aware that with exactly such a phrase the baron of Zernetz castle and his class were wont to justify their toll-taking on the old highway.

I return now to the defense of what is called "stock-watering," because from the earnestness with which it is repeated in railroad circles and among railroads attorneys we may believe that the issue of this inevitable problem will center first around this defense.

To make it somewhat clearer. In 1864 the Chicago & Rock Island Railroad bought for about $25,000 certain tracts of land in the city of Chicago. The present value of that land is more than $6,000,000. According to the argument we are considering that land should be reckoned for securities, not on the basis of the investment in it, $25,000, but on the basis of the present value, $6,000,000. It is worth $6,000,000, but it is unproductive of any direct revenue as land because it is used for the railroad's purposes. Nevertheless, there remains the value, and very properly this may be represented in an issue of $6,000,000 of securities on which the tolls levied throughout the region traversed by the railroad may be used to pay the interest or dividends.

Similarly (still pursuing the argument) it is not the money Mr. Hill invested in his railroad property that is the proper basis of his profits, because he never made any such investment. He is entitled to interest on the present value of the property, however he may have obtained it; he is also entitled to capitalize this value, and he is entitled also to capitalize the earning power of the enterprise. His terminals at Seattle may have cost him origi-

nally $1,000,000, let us suppose. Seattle has since then increased much in population and business importance, so that what was worth in 1890 $1,000,000 may be worth $5,000,000. Then he is entitled to draw interest on that $5,000,000, and to secure that interest through the issue of $5,000,000 of bonds or stocks as he may elect. Indeed, it is only by the issuing of such securities that he can get profit from this value, otherwise it is an inert and nominal asset. The public lands bestowed by the people of the United States upon the company that he acquired may have proved to be worth $13,000,000; that, so long as it remained, was available for capitalization, for stocks, bonds, and freight charges, although it was the free gift of the people and cost him nothing. The municipality of Spokane granted him freely a right of way five miles long through the city. If that right of way is now worth $5,000,000 he is entitled to count that as an asset of his railroad, to capitalize it, and to make whatever freight or passenger rates may be necessary to sustain that capitalization. The people of Spokane may, indeed, point out that when they donated the right of way to Mr. Hill's company they merely added to their own burdens, since it gave to that company an item of capitalization on which they must pay the interest in the shape of increased highway tolls. To any such contention the reply is that the people of Spokane should have thought of this contingency before they bestowed their gift. The fact that they must pay annually for their benevolence cannot be allowed to interfere with the right of property to earn interest. Even if there were no other consideration, the innocent purchaser would be an insuperable barrier to the plea of the Spokane people. The stocks or bonds that represent the additional capitalization must pay their dividends or in-

terest; otherwise the innocent purchaser would be defrauded and a precedent established that would make impossible some of our most important financial operations.

This argument must be just and sound; both the courts and the Inter-State Commerce Commission have refused to interfere with securities issued upon such bases as are here outlined.

I now call attention to the next steps in this agreeable progression.

First, the value of all railroad property is increasing. Much of it is increasing very rapidly with the increase of the country's population, and especially with the growth of cities. Property of the Northern Pacific that was worth $50,000,000 twenty years ago is worth $175,000,000 today, and will be worth $300,000,000 within the next five or six years. Property in Chicago bought twenty-five years ago by the Atchison, Topeka & Santa Fé must be worth now $14,000,000, probably six times its purchase price. The railroad terminals at Chicago, Jersey City, St. Louis, East St. Louis, Portland (Ore.), St. Paul, Seattle, Atlanta, increase rapidly in value. At most of the railroad stations, great or small, in the United States, the value of the station grounds, switching yards, roundhouses, office buildings, and what not, is subject to continual increase. Nearly all rights of way become more valuable year by year. All such increased value may be capitalized, and the securities thus issued may justly in turn produce an increase in rates.

Where, then, shall the process halt? Or what power on earth shall halt it? And what is the use of debating other phases of the railroad problem, or looking upon it as any matter of opinion so long as we are confronted with this overshadowing prospect?

Under the present system these conditions are absolutely right and just, nor can they be evaded or mitigated. If we attempt to say that the railroad shall not issue stocks and bonds against the increased value of its possessions, then we are denying a fundamental principle of the right of property. How could the increased value be realized except by the issue of such stocks and bonds? If we were to enact a law forbidding such realizing of value, that would be confiscation, which is strictly forbidden by the Constitution of the United States. Or if we say, by the Inter-State Commerce Commission or otherwise, that a railroad shall not make the rates that are required to meet the interest charges on such securities, then we shall do to the holders of these securities a wrong that is essentially unjustifiable, unconstitutional, and has been repeatedly condemned by our courts. In good faith these securities have been purchased; they are property; they cannot be destroyed; they are entitled to the protection of the law; the persons that purchase them are entitled to fair returns on their investment; and any law that will prevent such returns is clearly wrong, and would be found to be invalid.

What we face, therefore, is an impossible condition from which no remedy that would maintain the present system offers the slightest escape. The value of railroad property is certain to increase rapidly. The amount of railroad securities is certain to increase still more rapidly. On these securities interest must be paid. To meet the interest the income of the railroad must be increased or its expenditures diminished. What then?

The increase in values and the increase of securities naturally result in augmented transportation cost, the tendency of which is continually upward. On January 1,

1909, transcontinental freight rates underwent increases averaging eighteen per cent., and these increases were based upon and defended by the very conditions I have here outlined. In the last fifteen years the average passenger rates between New York and Chicago have been adroitly advanced fifteen per cent. Charges in the freight classifications (a fruitful source of extortion) are made so as to provide increased revenue and in reality increased tolls, without apparently increased rates. It is true that in some states the legislatures, under the pressure of growing public complaint, have passed laws reducing passenger or freight rates, or both; but most of these laws have been abolished by the courts, and all of them are doomed. We are also to note that besides increased rates, the tolls can be collected through diminished service or a service that fails to keep pace with the public demand, or by allowing the equipment to deteriorate. The equipment phase conceals, as many investigators know, a condition that in itself promises to become appalling. The tracks and roadbeds of many railroads are not maintained to the demands of either safety or capacity, and in this fact is found the explanation of a large percentage of those railroad accidents, in which our record surpasses that of any other nation on earth. As to the failure to maintain service conditions equal to the demand, I need to refer to only two pregnant facts. One is the widespread distress caused in the West in the winter of 1906-7 by the inadequate supply of freight cars, and the other is that of the 237,000 miles of railroad in the United States only 18,000 miles are double-tracked. The gravity of the equipment problem has been explicitly admitted by Mr. Hill, himself one of the most conspicuous beneficiaries of the system that has so disastrously impaired the country's

transportation service. For some reason unknown to me, Mr. Hill's warning, which he has several times repeated, has never had adequate attention. I do not know how it would be possible to frame a stronger indictment of the present system, nor to make an utterance better deserving of the country's gravest attention. Mr. Hill says that to put the railroads of this country into a physical condition in which they can properly meet the present transportation requirements would cost five billion dollars. In other words, under the present system the equipment of the railroads has run behind to the extent of one-third the capitalization. That is a fact of tremendous significance. The average cost of railroad construction and equipment is about $26,000 a mile. On these 237,000 miles of railroad Mr. Hill proposes an expenditure of more than $21,000 a mile in improvements, which amounts almost to rebuilding and re-equipping. If after the issuing of nine billion dollars of watered capital, on which the country is paying, and must continue to pay the interest charges, the physical condition of the property has been allowed to become impaired to the extent of four-fifths the actual cost of building and equipping, I cannot see how Mr. Hill leaves room for one word to be said in favor of the present system. It is the most colossal failure in the history of the world.

Mr. Hill seems also to be convinced that this is a practical condition and not a theory with which we must shortly deal, for he says that as this work must be done, and as the railroad companies cannot possibly raise the money required for it, the United States Government must come to the rescue of the country and advance the funds for the improvements.

We can see how just is Mr. Hill's statement (so far as

it goes) if we reflect upon the difficulties that railroad companies have recently met in floating extensive financial schemes. Evidently, then, as Mr. Hill says, they would find it impossible to borrow five billion dollars, or anything like it. By no possible form of obligation could they raise this sum, and yet one of the greatest railroad authorities in the world declares that they must have it if they are to continue to supply the country's transportation.

It is most evident, then, that already the present system has practically collapsed. It is broken-backed; it has broken down under the methods of loot that have been practiced upon it; within a comparatively short time the nation must face the great problem that it involves, and there can be no man so foolish as to think the methods that have effected its ruin can ever restore it.

Of course, when we turn to the other side of the stock-watering trick, the aspect is very different. It has undeniably been very efficient in swiftly building the fortunes of the gentlemen that have played it so repeatedly, but that Mr. Hill or Mr. Morgan should get rich rapidly is of no conceivable advantage to the public; the public gains absolutely nothing in any way from these fortunes. Mr. Hill builds him a palace and Mr. Morgan a new steam yacht, but neither the palace nor the yacht helps the community; to the community it can be of no concern whether Mr. Morgan has one yacht or one hundred. What concerns the community is that it furnishes the yacht and the palace and gets no return for its expenditure; for both yacht and palace are wholly extraneous to the public service of transportation, as extraneous as was the baron's castle on the Zernetz road.

How absolutely true it is that the community (and chiefly

the poorest part thereof) furnishes these pleasures we can see if we reflect upon a few obvious facts. First, whether the watered stocks and bonds that Mr. Hill and Mr. Morgan issue for their own profit be based nominally on the increased valuation of railroad property or on its earning power, the securities always appear a long time before there is any conceivable warrant for them, and the value or the earning power is estimated solely by the gentlemen that purpose to make profits for themselves from the securities. They assume that the property has taken on another hundred million dollars of value, or that another hundred million dollars of profits can be wrung from it; then they issue and sell the securities, pocketing the profits, and the property must secure from the public the money for the interest charges.

For instance, Commodore Vanderbilt laid the foundations of the Vanderbilt fortune when he issued $45,000,000 of watered stock upon a property already staggering under a colossal load of such securities. Most of this he took for himself; all of it became a huge machine to draw from the community additional money through additional charges. So far was this increase from an actual foundation in increased value that more than twenty years passed before anyone dared to assert an approach to equality between the value of the property and the value of the securities. Yet all this time the securities were steadily drawing from the public money that, even if we accept the entire argument of the railroad attorneys, we must admit to have been money extorted. I have never heard of any defense for this condition, nor heard of anybody that had heard of anybody that had heard of one.

But at the earliest moment when, with any face the thing could be done, the Vanderbilt interests issued a new

flood of securities, and sunk a new pump into the public pocket, and they or their successors have continued this practice ever since.

In other words, and to change the figure, Commodore Vanderbilt was a new baron lately arrived upon the highway. The $45,000,000 of watered stock was a new castle that he built with a barrier across the pass and every arrangement for the taking of much toll. This castle is still in operation with its toll-taking. As soon as the people had become accustomed to the sight of the one castle, the baron's son built another farther down the road, which is also still taking toll; and the second baron's sons, and the third baron's sons have continued to build other castles until the poorer travelers are finding that the successive tolls have emptied their purses. They have, however, the pleasure of contemplating the beautiful castles (from a distance), and also occasionally learning where the tolls go. They must have been gratified to learn lately that some of the tolls, changed into a pearl necklace, had been bestowed upon the mistress of a king.

How sadly true and just and unexaggerated all this really is one can see if one will refer to the case of the bucket of coal, with which we started. Here was the exact and perfect instance of the entire process as at present conducted in all of these railroad enterprises. Follow the successive steps of the practice and see what they mean. The gentlemen that conducted the Philadelphia & Reading Railroad issued for their own profit securities upon that railroad. It appeared that the earnings of the road were insufficient to provide the interest on these securities. They saw that with coal at $5 a ton the annual profits were a certain amount; with coal at $5.50 a ton the annual profits would be so much more. They also

perceived that by forming a combination with two other railroads they could make the price of coal $5.50 a ton, capitalize an earning capacity, and earn the interest upon the present securities and others. So they formed the combination, made the price of coal $5.50, capitalized the earning capacity, and gathered the tolls for the new securities. And for the poor people on the East Side the price of coal rose from $15 to $18 a ton.

It rose only 50 cents a ton for the well-to-do, but it rose $3 a ton for the poor.

So is it with all these achievements in finance and all these fortune makings. The palaces rise, the steam yachts sail, the figures of the great fortune mount, and in every city the slums spread, the bread lines grow, and the numbers of the poor increase. When we contemplate these facts we may rejoice in Mr. Hill's assurance that the present system has broken down. It has existed much too long. The collapse of it will not restore to the people the tolls that have been unjustly taken from them, but we may believe that we are on the imminent verge of the end of our castle system. When the people of Europe wearied of paying toll to the barons for the use of the highways the barons went out of the toll-taking business, and the people's highways were made free. Then it was realized that a highway is always the common possession and cannot rightfully belong to any man, baron or railroad magnate, the Count of Zernetz or Mr. Morgan; that barons are no more necessary to the building or operating of highways than are mosquitoes or flies; and that the building of the castle or the building of a railroad magnate's palace confers nothing upon transportation service nor upon any other interest of the public. We shall shortly learn the same lesson here.

CHAPTER XIII

A PLEA FOR THE RICH

In the excellent art gallery of Sydney, New South Wales, is a bronze bust of a man with a face expressive of cold resolution and powerful will; the short mustaches bristle aggressively, the jaw is thrust forward, the brows are heavy and coarse. My first observation of this work was from a point whence the inscription upon it was not visible.

"Look!" I said to my companion, "there is a bust of X———; how do you suppose that came here?"

"It does look like X———," said my companion, "but it is evidently meant for Y———; that is Y———'s projecting jaw, you know. But it certainly seems strange to see him here at the other end of the earth."

In entire good faith, I had mentioned the name of one famous Wall Street operator, my companion had mentioned another: neither had any doubt that the bust was the likeness of someone well known to us, nor could any observant American fail to perceive that here was some countenance made familiar to him by newspaper portraiture.

When we moved down the aisle we read the inscription on the bust. It was a quotation from somebody's history, and ran like this:

"The founder of Islam was a man conspicuous for cruelty, avarice, selfishness, and cold sensualism." The

artist had tried to make a face expressive of these qualities, and had made one that looked like an American millionaire.

Two years afterwards one of the men whose likeness we thought we had discovered in the bust was at a European summer resort. It was sometimes my fortune to walk down the promenade just after him. I think no one so walking could have failed to notice the impression this man's face made on the people he met. As they gazed upon him I could see wonder and a trace of awe growing upon them; often they would stop still as if they saw something weird or uncanny, and then go on and turn to gaze again, and talk among themselves, shaking their heads; and I, passing along, would hear ejaculations and questions, for most of them had never seen a face like that, and it seemed to them hardly human.

Yet I am sure it was a face never much remarked at home, and though more plainly scored and marked than most faces, still in its lines recording a common story. I suppose it would be difficult to pretend that the reading is ever very agreeable. In this case it was of a man that by savage and relentless methods, throwing himself into the confused battle of business as a red Indian might have thrown himself into a desperate affray, had amassed a colossal fortune, wrenched from the hands of other men. Some of his achievements, indeed, had been rather worse than savage, and reported to be beyond the law; but law and the interests of the public, like the rights and welfare of others, he had trampled upon so ruthlessly men said of him that in the seventeenth century he would have been a pirate, and drew parallels between his deeds and those of famous buccaneers.

Before he had reached middle life this man had gained

in these ways one of the greatest fortunes in the world, so that by no possibility could he expend his princely income. He built for himself great houses and bought great estates, he owned a steam yacht; with his family he traveled in state like a royal personage; and by no means could his expenses equal his income. Yet even with this huge accumulation he did not stop; when he went abroad he was always in touch with his schemes to make more money, and when he was at home he arose early and toiled late that he might make more and more. It may be believed that he never had a joy in his life except the reflection that he was daily adding to the vast store of money he could not use. He lived in a world full of beautiful things, and according to those that knew him best he never once experienced the splendid and divine emotions of beauty. I have seen him in the midst of some of the most gorgeous scenery of the Alps, and I am quite certain that he saw none of it. His eyes were always turned inward, and all day long (if reports spoke true of him) his thought dwelt upon that sordid battlefield and the means by which he could wrest from other men more of the substance that he did not need. All men agreed that he had great capacity and a marvelous power of concentration, and the only purpose to which he ever gave his powers was in securing things useless to him.

He died and hired eulogy balked before the record of his career. It could be said of him that he was the type of the successful American business man, that he had risen from obscure poverty to eminence and colossal wealth, that with skill he had managed his own affairs and added daily to his fortune. No one could suggest wherein he had been of the least use to his generation. He had taken no interest in public affairs, he had cared nothing about

the community, he had added not one contribution to the world's store of the beautiful nor even of the useful, he had never lifted a hand for the Common Good nor given to it one thought, in no conceivable respect was the world one whit the better for the life that had been bestowed upon him. He had not even been a good citizen, he had not even the common virtue of patriotism. The chief corporation from which he had derived his great wealth had been for many years the greatest of all sources of corruption in American public affairs. It had notoriously defied the law, bribed legislators, bought aldermen, placed its attorneys on the bench, influenced Congress, perverted justice, and corruptly manipulated political parties. More than all other influences together it had lowered the tone and soiled the purity of public life. Against these practices this man had never protested. He had shared the huge profits that this lawless corporation gathered, and whether its general policy were or were not of his conceiving, he could not have failed to know that it was criminal, corrupt, and piratical.

On a dispassionate review of this man's life there appeared such a melancholy waste, and such a hideous pursuit of Dead Sea fruit, that his story seemed worth for his own sake only infinite pity. But one good thing could be said of him: he had pride, he was not indifferent to reputation. A former associate of his turned upon him and revealed something of his methods and savage fury in the insatiate grabbing of money. The revelations profoundly impressed the public, and under the manifestations of general disapproval the man's health and spirits broke, and until he died he never regained his old assurance. Something tragic pertained to his story. Beyond a doubt, he had an excellent mind, equipped to be of

service to his times: he went through life without one worthy or rational achievement, and he died so miserably that even his enemies could hardly exult over his fall. The sum of all his years was a sum of nothing; the very tramp that lives from hand to mouth seemed no more of a failure and no less likely to be remembered.

Here was one type of a certain condition. A few months later there died a man that as aptly illustrated another phase. The first man having a great fortune had bent all his life and energies to acquire more: the second man having a great fortune set out early in life to gather enjoyment from what he had. Conceiving his great fortune to be ample, he took no part in business, wronged no man, and wrested no more money from the unfortunate. Social amusements and social distinction were the pursuits of his life; he followed them with undeviating loyalty; he was socially one of the eminent persons of New York. He was charitable and generous, and what is called "a good fellow." And when he came to die eulogy balked as in the other case; there was nothing to be said of him except that he had lived and was now dead. For a time this clay had moved and been animated, and was now cold like any other clod. The funeral was a curious sight. No one seemed to be sorry; there was nothing to be sorry about; no one had cared very much for the dead man, and no one had cherished towards him the least ill-will; he was just "a good fellow" that had lived and died and left no sign. The fruit of the life that had been intrusted to him was some temporary amusement for himself; he had had what is called "fun." Probably no human being was the worse because he had lived, but assuredly none was the better. The world had no profit of him; he had left nothing, he had enjoyed much, and even those

of his own class and kind that gathered at his funeral seemed to feel that here was a life wasted. Because at the grim end of all there is always the sense of an accounting; let the life be as merry as life can be, there is always at the grave the idea that a balance must be struck, and the showing of this balance sheet was not edifying.

And I am not quite so sure about the fun; I am obliged to think that is much overrated. Some years before this man died he had a hand in an entertainment provided among his own social caste called "a vegetable party." It was nothing much; it has since, I believe, been rather eclipsed by "monkey dinners," "horseback dinners," and other amusements of polite society. The ladies and gentlemen attended in the characters of vegetables, that was all. One went dressed to portray a carrot, one to portray a turnip, one a cabbage, one a squash, one a parsnip, and so on. As I say, it was not of any great importance, but some of the newspapers sneered at the idea of adults finding entertainment in a way so puerile, and I once made to this man of whom I am now writing a remark in the like vein. He said:

"Of course, I know it seems silly, but it has its uses. You can't think what a relief it is to me. I have nothing to do with my time, and nothing to take an interest in. Now, to design my costume for this fool thing gives me occupation, and to wear it is something to look forward to. It's a change from the monotony of everyday life. It's a misfortune to have nothing to do. I don't know how to put in my time. You get tired of everything soon or late. You'll say, 'Why don't you travel?' Well, I've been everywhere, until one place is just like another. You get bored everywhere, when you haven't anything to do. To tell you the truth, I'm glad of a chance to dress up

like a carrot and prance around. It's something to think about."

I omit from the present consideration the scandals that seem to be so common among people of this caste; it appears that, having nothing to do and no rational interest in life, they are drawn inevitably into vice; but therein, of course, they chiefly injure themselves. I pass to another phase of their condition that is of graver interest to mankind. A member of the British parliament, a justly famous observer of men and manners in many countries, told me once that of all the persons he had met in the course of a long life the most insolent, the most intensely disagreeable, the most arrogant, and the most overbearing were sons of American millionaires. He said that he traveled about the world year in and year out, holding agreeable intercourse with men of all ranks in all nations, but there was no such thing as enduring the society of a young American nabob. After long experience he had come to avoid instinctively all persons of this class; but sometimes, on the Continent especially, one could not prevent contact with them, and whenever he saw them at close range he was convinced that they were the most repulsive persons on earth and some of the most dangerous. In his reading about the French revolution he had met with no characters among the nobles of the old régime that seemed to him of so intolerable an arrogance, for these were not content to be arrogant to persons they casually met but went out to seek victims on whom they could exhaust their arrogance.

Something of the same impression is no doubt familiar to every American that is accustomed to note the significance of things. Mr. David Graham Phillips has made a true and admirable record of it in his "The Second Genera-

tion." The story usually has about the same sequence. First, there is the young man starting forth in life, very poor, but determined to be rich. By methods usually illegal and always dishonest he gathers wealth. He marries and begets children, and still labors incessantly to gather more riches. While his children are growing up they are surrounded with every accompaniment of luxury and great wealth. They go to exclusive schools, or they have private tutors at home; they associate only with the children of other rich men; from their first consciousness they are taught that they belong to a class better than common people. Their fathers' successes they learn to regard as the certain evidence of his superior quality; his wealth is a badge of aristocracy; they learn to despise all poorer men, and acquire an instinct of snobbishness the like of which is not now to be found in any other part of this globe. An Indian maharajah with a hundred thousand subjects and ropes of pearls is literally a broad democrat compared with the typical son of an American millionaire.

These young men and young women, having completed their education, go forth into a world of their own. It never occurs to them that the money that supports their state was wrung from the toiling masses they contemn, and, of course, it never occurs to them that they have any duties to the world they live in. Their fathers, having usually a recollection of their own humble origin and a sense of the manner in which their money has been won, retain both instinctively and from policy a great deal of democratic bearing. They know quite well that if the people had ever awakened to the true meaning of privilege there would have been very few great fortunes in America; and they also know that at any time the people may have

such an awakening, and how bad that would be for fortune-making. Hence, they are careful to be accessible to employees and to associate on terms of equality with men less fortunate. But their sons have no such impulse. They never move beyond the circle of their own caste, they marry in their own caste, they have no interest outside of that caste, and for the whole great mass of poorer men they feel only contempt or hatred.

Now, to these facts pertain two observations. First, the power that these men are daily inheriting is colossal. The process of centralization has brought so many industries under the control of a few that the employment, and therefore the existence, of millions of workers depends upon the whim or caprice of a handful of individuals. The same men that control most of the railroads of the United States also control the entire iron and steel industry, the oil industry, a great many banks, and a steadily increasing number of other enterprises. Of course, these men for a whim or a caprice are not likely to suspend or to interrupt any of these industries, but they can at any time deprive of employment any man or group of men; which, in modern conditions, is equivalent to the power of life and death. The mere possession, also, of the channels of capital that are directed through the banks is a power more formidable than any other now on earth, except only the control of the press.

These great powers are now in the hands of men of the first generation. They will presently pass into the hands of men of the second generation. The sons will inherit what the fathers have made. The fathers have still some democratic sympathies and reminiscences; the sons have none.

The reason why these sons and no other persons will

succeed to the control of these great powers is because, as previously noted, the process of consolidation has reached a point where there is no longer a door to fortune open to any person outside of the present fortunate caste. This seems an extravagant statement, because the belief that our country is the land of free opportunity is still almost universal among us and we are loath to admit the great changes of the last few years. Yet, as a matter of fact, it is no longer possible for a poor man to accumulate a great fortune in America. Instead of every man having the opportunity to get rich, no man has now the opportunity to get rich except by gambling or rarely by speculation. No new great fortunes are being formed to-day, and we may safely say that none has been started in the last ten years. The conditions in which a boy could start with nothing and become a multimillionaire have vanished in this country and will not return. How shall the poor boy now start upon the road to fortune? Which way shall he take? Shall he enter a store and plan to become, like A. T. Stewart or Marshall Field, a great merchant? The great stores are now department stores owned by companies affiliated with the Central Interests. Shall he develop an industry as John D. Rockefeller developed oil? To do that requires money, and the money supply is owned by the Central Interests, which reserve all profitable industries for themselves. Shall he develop a railroad enterprise as Mr. Hill developed the present Great Northern? No man can now build a mile of new railroad nor acquire a mile of old except by the consent of the Central Interests that control all. Shall he hit upon a great invention as Mr. Westinghouse invented the airbrake? Here again, his invention is useless without capital, and all the capital is controlled by the Central Interests, who will take the

invention for themselves if it be for their benefit or suppress it if it threaten their profits. Shall he go into manufacturing and seek to be an independent proprietor content with a modest fortune? In practically all lines the independent manufacturer has been absorbed by or is vanishing before a trust. Shall he try to operate in real estate? In nine cases in ten the future of his real estate investment depends not upon his judgment and foresight, but upon the movements and decisions of the Central Interests. Shall he go into banking and try to become a great financier? In all the country there is no great bank uncontrolled by the Central Interests.

He has, therefore, if he be ambitious and eager for success, the prospect of but one career. He can be a hired man for the Interests. He can enter the law and get large fees for showing the Interests how they can evade the statutes. Or he can manage something for the Interests and earn a considerable salary. Otherwise, he must be content to be a small tradesman, an artisan working for wages, a clerk, or a professional man scrambling for a livelihood. Or he can be a gambler. Gambling is always open to ambitious youth.

It is executive work or legal service for the Interests that is now engaging the best minds, and will more and more engage them. The great railroad systems, banks, mills, factories, foundries, mines, insurance companies, lighting enterprises, street railroads, water powers, steamship lines, department stores, restaurants, drug stores, groceries, packing houses, farms, and other properties owned by the Central Interests must be managed. Men must be had to manage them. But they will be men hired for salary. They will not own the property they manage, and will have no chance to own it, and however large

their salaries may seem when compared with the wages of artisans, their salaries will never be any approach to the great fortune-making of other days.

I am quite well aware of the belief held by some observers that the extravagant habits and mental incapacity of the second generation will scatter the fortunes gathered by the first and restore the distribution of wealth. "Only three generations," men say, "from shirtsleeves to shirtsleeves." It is singular that this opinion should survive in the face of innumerable demonstrations that it is not justified. No longer does the second generation dissipate its wealth; in truth it cannot. The size of the great fortune is too great to be much affected by even the monstrous extravagance of the traditional American heir; moreover, the bulk of the fortune is so invested that it cannot be dissipated, but continues to multiply so fast that its income cannot be spent. You will find it difficult to specify a great American fortune that has been dissipated by its heirs, or one, in fact, that has not grown in spite of incompetence. The Vanderbilt fortune, for instance, is now probably fifty times as great as it was when Commodore Vanderbilt died. Although it has been shared by many heirs, the total bulk and each individual share have continued to increase. The Astor fortune has steadily mounted until now it has attained to an overshadowing size. The Gould fortune is certainly much greater than it was at the death of Mr. Jay Gould, although the courts have been regaled with accounts of what might be called the desperate efforts of one of the heirs to expend his patrimony. Mr. Rockefeller's son will assuredly be unable, even if he should desire, to waste the colossal Rockefeller fortune; no one supposes that young Mr. Rogers will scatter the Rogers millions; the Whitney fortune remains

intact; the Belmonts are all very rich men; Mr. Morgan's estate will be handed down from generation to generation. Some of the old New York fortunes, like the Lispenard and the Goelet, have existed for a century or more. When Marshall Field died his fortune was so left that at the expiration of the trust it will have become, if only an average rate of increase be maintained, five billion dollars, which is more than all the money in the United States. Mr. Armour's son did not scatter the Armour millions, but has greatly increased them. Mr. Gustavus Swift's sons carry on his business with undiminished success. Mr. J. J. Hill has a capable son already in charge of the great Hill interests. Evidently the second generation that is to return to the public the great fortune withdrawn from it is a pure myth.

What does happen sometimes is the loss of the immediate and active direction of the property that made the fortune. Thus, the Vanderbilts no longer control the New York Central, by the scandalous manipulation of which the Vanderbilt fortune was created, but that has not affected the Vanderbilt incomes nor in any way benefited the community, which furnishes the interest on the Vanderbilt stocks and bonds. Within the last few years Mr. George Gould has ceased to be reckoned as one of the powers that control the railroad business of the United States, but his retirement has not affected the Gould fortunes. All of these great fortunes are now enduring institutions, and the only change that has been or, in the present organization of society, can be observed in them is that they become more efficient as suction pumps to gather the country's available wealth into the hands of a few and to leave the many with small means and a constantly diminishing share of opportunity.

The point then is that since money is only another name for power, the preponderance of power in America is before long to pass into the hands of men of reactionary instinct and more extreme and more truly aristocratic tendencies than any other class on the earth; and the alarm of the British member of Parliament as he contemplated this fact seems not in the least unreasonable. Thoughtful men of all shades of fundamental faith have agreed that the existing conditions cannot be allowed to remain unchanged. Mr. Rockefeller tells us that in the last twelve years he has given no direct attention to business, and yet, if current report be true, in that time, without his direction or effort, his fortune has more than doubled. If it shall continue to grow at the present ratio, within an appreciable time it will absorb all the wealth in the United States; for one can demonstrate without difficulty that its present rate of increase is greater than the rate of increase of the total wealth of the nation. This, of course, would be an intolerable outcome, and no doubt the imminent prospect of some such result spurred Mr. Roosevelt to demand income and inheritance taxes. But those that profit by existing connections will bitterly oppose any interference with their privileges; that is a cleavage already plainly evident, for such persons have so far defeated every effort to modify these conditions; and it is well to contemplate the kind of opposition we may expect from the Second Generation.

But aside from all this, which is only one of the evil products of the present system of Society, we ought to abolish that system for the benefit of those that profit by it as well as for the sake of those that it impoverishes. The life spent in the pursuit of gain is a very pitiable life. Not so pitiable as the life spent in drudging toil,

but still pitiable and wasted. This life of ours is so capable of infinitely better things, the struggle of man with man to wrench away the fruits of the earth that should be for all is so vile and so degrading, the callous heart is so great a misfortune, the spirit within that is strangled by greed is so naturally fine, the inner eyes that greed blinds might see so much, that the life given over to aggrandizement ought to fill every observer with commiseration. We pity the poor prostitute driven by the present system down the slope to perdition, and we pity the tenement house family dispossessed for lack of rent money. We might well pity also the rich idler that can find no use of his faculties above dressing to look like a carrot, or the money-grubber that wastes his life in despoiling his fellow-men. It is true that the rich idler and the money-grubber are in a measure voluntary sufferers, and the prostitute and the tenement family have no recourse. It is also true that the wretched state of the poor is a hard, material fact of the first importance to the future of the race, while the wasted lives of the rich are for merely sentimental pity, and compared with the vast numbers of the poor the rich are so few they are not worth thinking about until we shall have dealt adequately with the overwhelming problem of insufficiency. Yet, in a broad view, and as a matter of principle, a wasted life is a wasted life, whether of poor or rich, and the proper function of organized Society is to prevent the waste of life. In truth, the joyless dweller in a slum tenement and the rich idler and rake are alike products of the one vile system of Capitalism. So long as that system endures there will be for men no object in life but gain; the poor must center all thought and life upon gaining daily bread, the fortunate will center all thought upon

increasing their store or live in intellectual sloth and degeneracy. Both results deny the godlike possibilities of man, which find their highest realization in Brotherhood and Service.

Here we might do well to consider for a moment another foolish trick of ours in relation to these matters. I mean the habit (for which we have, it is true, eminent authority) of turning upon and rending the men that are conspicuous examples of the fruits of the present system. "Malefactors of great wealth," we are pleased to call them. Well—but why? Why malefactors? Do but think for a moment how poor a spectacle we make of ourselves when we give way to this form of hysteria. Under the present system we have set up a certain object of life and a certain standard of achievement. The object is aggrandizement; the standard is the extent to which aggrandizement has been carried. Upon him that has grubbed much money we bestow much honor; upon him that has grubbed the most money we bestow the most honor. In every walk of life the amount of honor we bestow is apportioned to the amount of money grubbed. Nor do we ordinarily weigh the manner of the grubbing. "To get money by whatsoever means" has been our national motto. What should we expect?

To this pursuit all our social arrangements openly or insidiously contribute. Our schools, and especially our colleges, hold up the business career and the gaining of wealth as the proper avenues of ambition and utter no word of warning against the inevitable consequences. Most of our colleges fawn in a sickening way at the feet of wealth and habitually laud the "captains of industry," whose hands are stained with blood and mire. Who shall deny that this is so? Nay, they do themselves often

give examples of the true business instinct. Many a college president and college faculty in America would be glad to abolish the brutal and demoralizing game of football, and yet maintain it against their consciences because they believe that a strong or winning football team attracts students. From their earliest years our children are taught that business success, wealth, the piling of dollar upon dollar, constitutes life; to honor wealth, to give it place above service, knowledge, discovery, scholarship, art, is therefore the national instinct. Again, what should we expect?

Under this influence men that are now old started out in life with the one ambition to win the prizes that we held out for the man of wealth. With our incessant applause they grubbed and grabbed until they reached the glittering pinnacle at the top of the social pyramid. They were faithful in all respects to the code of the present system; they observed the rules of competitive warfare; they did exactly what all others do under that system, only they did it more assiduously and more extensively. They grubbed and grabbed; they wrested money from the fingers and bread from the lips of others; they trampled their competitors to death or led them into cunningly devised ambushes; they toiled and schemed, early and late, with zeal and fervor; they threw themselves upon what the baccalaureate habitually calls "the battlefield of life," and wrought there in the manner of savages, exactly as we had taught them.

And now when under the encouragement, and even the mandate of this our system, they have won the victory, we are invited to turn upon them and prosecute them as "malefactors of great wealth"—for doing exactly what Society told them to do.

It is, of course, hard for some of us to contemplate a career like that of John D. Rockefeller without an impulse of wrath, and impossible to contemplate it or him without loathing. But even John D. Rockefeller is a mere creature of the system, and its most perfect and ideal exponent. If we believe in competition at all, why berate the man that has simply carried the competitive idea to its logical conclusion? This is the perfect example of that survival of the fittest that is the sole foundation of the competitive system. Why object to him? He was the fittest; he had bigger paws and longer arms and sharper claws than any other gorilla in the jungle; therefore, he had an unassailable right to all that he could grab, and if we are to maintain the system, instead of denouncing this man we should eulogize him as the system's best product.

Similar observations apply to all the other like "malefactors" whom we are invited to pursue with legal vengeance. Why pursue them? None of them has done anything not sanctioned and approved by the system under which we operate. "They have broken the laws," says an eminent authority. Why, to be sure. And if you were to put in jail all the men that under the present system have broken the laws you would depopulate some of our most admired regions. Take all the laws that are violated by the men that practice underbilling, that seize the public land under the sidewalks, that fence in the public domain, that illegally manage their banks, that sell goods and obtain money under false pretenses, that bribe legislators and aldermen, that issue fraudulent warehouse receipts, that make and sell poisons for patent medicines, that steal the public streets, that adulterate food. What shall we do about all these cases? Is it not evident that under the present system the breaking of laws and the

perpetrating of fraud are inevitable? Then why turn upon one creature of this system and make him a scapegoat of our wrath if we are to continue the system of which he is merely a product?

Of course, it is not to be denied that the laws nullified by Mr. Rockefeller and his class are enforced with great rigor upon men less fortunate. For the theft of a public franchise worth a hundred million dollars no man has ever been sent to jail, while every day men are punished in our courts for stealing bread when they are hungry. We had in New York some years ago a case in which it was admitted that five wealthy men had stolen about $600,000, and all efforts to secure the indictment of these men failed, although scores of men were being indicted, convicted, and sent to prison for stealing a few cents. And this state of affairs is, of course, the hardest of all to bear with equanimity and the only excuse (although it is seldom urged) for pursuing the "malefactors of great wealth." Yet, even this monstrous injustice is only a product of our system, and one for which there is no remedy so long as we maintain the system. In no corner of this world is the rich offender punished like the poor, nor by any possibility can there be justice on earth so long as we hold to a social organization that puts a premium upon greed and transforms cruelty into a virtue. And here, as before, I invite you that like the system to like also its products.

It is one of the innumerable curses of this Capitalism "dripping with blood" that it totally reverses thus the normal value of life. Aggrandizement is not normally an object of human endeavor; selfishness and indifference to the rights of others are not part of the normal state of man. Only Capitalism makes them so, exactly as Capi-

talism, turning men into beasts, pays the greatest honor to force and brutality and the least to Use. An heir of one of the great fortunes, lolling about the world in a steam yacht, employing his time in the seducing of his friends' wives, or with one of his mistresses scattering on the tables of Monte Carlo the tribute exacted by watered railroad stocks, is of no use in the world; he is doing nothing that society needs to have done. The man that digs in a water trench is of great use; he is doing something that society needs to have done. Under the existing system the idler at Monte Carlo has great honor, the digger in the water trench has none. As a matter of fact, the digger in the water trench, no matter what his condition, hard-handed, ill-clothed, denied by the existing system his birthright of education and sufficiency, rude of speech, and ungainly of manner is infinitely more than the other deserving of the world's respect and of the world's rewards. This perversion is inseparable from Capitalism, which offers only unreasonable and unworthy objects to life. The life of man, if deprived of the joys of the sense of Brotherhood and the sense of Use, is more melancholy than his death, and there appears now from any survey of the world's progress the fact that the waste of life is as unnecessary as it is hideous. For of all the indictments of this wretched system the most grievous is that the world has no need of it. Everything the world needs can be better provided without Capitalism than with it, and for the whole system that is thus dark with crime and productive everywhere of fathomless misery there appears on impartial examination not one good excuse.

But, of course, if it is to be upheld by force and not by reason, and if, in the interest of its beneficiaries, armies and the police are to maintain it against the will of

majorities, that is another matter. Such conditions seem on the face of the proposition extremely improbable, and yet we cannot, unfortunately, be sure that they are impossible. In the winter of 1907-8 the unemployed men in New York City numbered something like 200,000. The resources of the charity societies were unable to provide for so large a number, and the actual suffering was very great. Some persons well aware of the facts tried to call to them the attention of the city authorities in the hope that the municipality would institute public works and thus provide relief. These men were met with a denial that the number of unemployed was unusually large. That they might prove their contention well-founded some of them called for a public meeting of the unemployed in Union Square. The north end of that Square has been for generations a place of free assemblage; it was, in fact, designed and constructed for that purpose, and permission to meet there had never been denied. On this occasion the Park Commissioner issued on request the usual permit. Subsequently, on what demand or for what reason was not revealed, the permit was revoked a few hours before the hour appointed for the meeting. As very few could learn of the revocation, some thousands of people assembled at the designated place. They found the square in the possession of policemen, mounted and on foot. These charged upon the unresisting people, riding their horses upon them and beating them with clubs. When protesting citizens called the attention of the police commander to the fact that he was violating a right guaranteed by the Constitution to the people of the United States, he replied:

"The club is mightier than the Constitution."

By "club" he meant the weapon of the policeman.

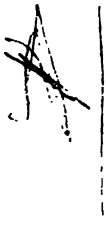
In the midst of the disturbance a bomb was exploded.

A man that was supposed to have exploded it was fatally hurt by the concussion; whether it was really his bomb was never made clear, but he was assumed to be an Anarchist, and the whole meeting, organized for merely humanitarian reasons, was so adroitly denounced as an Anarchist assembly that, in the public mind, it was endowed with a wholly undeserved odium. On the explosion of the bomb the attack by the police was redoubled and some very shocking scenes ensued. Policemen rode their horses up the front steps of buildings in pursuit of citizens that had in no way offended, and clattered up and down the sidewalks assaulting others, so that persons that had been in Russia were irresistibly reminded of a charge of Cossacks, and many that had no sympathy with the meeting or its organizers were moved to vehement protest.

No one of judicial temperament witnessing that day's work could fail to be impressed with the thought that the police had been used, as much in defiance of law as of right, to suppress a legitimate meeting merely because the significance of that meeting was repugnant to persons in power. Nor is it possible to deny that when the fact is viewed in connection with the habitual use of the police, the courts, and the militia to suppress strikes, or with such an exhibition of the drunkenness of power as the kidnaping of Moyer, Haywood, and Pettibone; it is likely to arouse a certain foreboding. Yet evolution tends but one way and indicates but one end to all this, and there is no adequate reason to think it will work through any other means than those of peace and man's innate sense of justice that not even greed and Capitalism can quite crush out.

CHAPTER XIV

SOME THINGS THAT MIGHT EASILY BE



THESE are the fruits of the present industrial system of the world—war, poverty, slums, child labor, prostitution, the slow degradation of the masses, insufficiency on one hand and superfluity on the other, caste and aristocracy, hatred instead of love, and so many million lives led without the chance of decency, comfort, and happiness that belong of right to every human being; national bankruptcy impending, and before us the eventual collapse of the whole industrial machinery.

Yet all these things are unnecessary. Every good and desirable thing badly supplied by the present organization we can secure without one of the multitudinous and complex ills now inflicted upon us.

Let us see how. First, we will suppose, if you please, an organization that fundamentally reverses the purpose and methods of the present system and puts the comfort, happiness, health, sufficiency, and protection of all the people above every other consideration. Let us suppose men to say that they need certain things, food, shelter, clothing, artificial light and heat, transportation, and the means of communication. All men need these things; they are primal necessities. Hitherto, they say, these things have been supplied to us through the interposition of Capital. The result has been that Capital, possessing the supplies of the things that all men need, and therefore

having us at its mercy, has enriched itself at our expense, gathered to itself the fruits of the earth and of labor, fruits that it has not earned and cannot consume. It has corrupted and controlled governments, monopolized the money supply, obstructed democracy, supported autocracy, erected artificial barriers between men and their brother men, imposed upon the world a false and degrading object of life, impoverished the majority for the benefit of a few, doomed the majority of lives to drudging toil for the price of bare existence, instigated war, and maintained costly and useless armaments. Henceforth, therefore, the things we need shall be supplied to us not by Capital, which does all badly and is no more than a wolf hungering for profits, but what we need shall be supplied to us by the community for the community's good.

That would be very different, would it not?

Suppose, then, that in accordance with this resolution the community should take over all the banks and the money supply, operating banks not for individual profits but for the welfare and convenience of the public. That would put an end to the money monopoly, would it not? And to all the evils that flow from the money monopoly. Banks would no longer dictate legislation nor supply corruption funds nor be the means of coercing men nor the means of precipitating panics. And why should this not be done? The purpose of a bank, and the one reason for chartering it and allowing it to exist, is to secure a money supply for the community's use. That groups of bankers should make profits and accumulate fortunes is of no advantage to the community; it has no gain from these fortunes and profits and abnormal powers, which are merely a price extorted for a supply that can be had without any such price.

Let us suppose, next, the community to operate for the community's good all the supplies of transportation and communication. That would put an end to the railroad monopoly, would it not? And to the fatal process of stock watering that the railroads must now pursue, to the corrupting of public officers by the railroad companies, to their interference with government, their constant breaking of laws, the annoyances and extortions the community now suffers at their hands, the inadequate service, the arbitrary rates, the failing equipment, the physical condition that Mr. Hill assures us is breaking down, to rebates and discriminations, to private cars and terminal railroads. Why should this not be done? The purpose of a railroad is to supply the community with transportation; for this alone railroads are chartered and allowed. That a few fortunate men should be able to accumulate great fortunes and build beautiful homes is of no benefit to the community. What the community needs is transportation; it gains nothing from these fortunes and palaces, which are merely the extravagant tribute extorted for a service that can be had without any such tribute.

Let us suppose the community to operate next for the community's good all the coal mines. That would put an end to the Coal Trust, would it not? And to the high prices for coal extorted to pay the interest on watered stock and needless bonds, to the oppression of the coal miner at one end of the industry and of the coal consumer at the other, to the control of an indispensable necessity for the profit of a few. Why should this not be done? The object of a coal mine is to supply coal to the community; it is for this purpose and none other that mining companies are chartered and mining operations allowed. That fortunate speculators should be able to gather great

wealth from the needs of the coal consumers and coal producers is of no benefit to the community. What it wants is coal, and it gains nothing from the fortunes and yachts and amusements of the mine owners, which are simply the unreasonable tribute extorted for a supply that can be had without any such tribute.

Let us suppose the community to operate for the community's good all the packing and slaughter-houses. That would put an end forever to the Beef Trust, would it not? And to the conditions revealed by "The Jungle," and confirmed by President Roosevelt's commission, to the arbitrary increase of the price of meat and arbitrary manipulation of the cattle market. Why should not this be done? The object of a packing-house is to supply meat to the community. That Mr. Armour and Mr. Swift should get rich and build handsome residences is of no benefit to the community; it has no gain from these fortunes and residences, which are merely an artificial price exacted for a supply that can be had without any such price.

Let us suppose the community to operate for the community's good all the shoe factories. That would put an end to the making of shoes with paper soles, would it not? And to the Shoe Machinery Trust, one of the most odious and dangerous trusts on earth; also to the tribute that this trust levies upon every person that wears shoes. Why should this not be done? The object of a shoe factory is to supply the community with shoes. That a few rich men should grow richer from the manipulation of the shoe industry is of no benefit to the community. What it wants is shoes; it gains nothing from these fortunes, which are merely an artificial price extorted for a supply that can be had without any such price.

Let us suppose the community to operate for the community's good the oil wells and oil refineries. That would put an end to the Standard Oil Company, would it not? And to the appointment of judges of the Standard Oil Company's selection, its influence over the government and in politics, its purchase of legislatures, its huge power for evil in so many ways. Why should this not be done? The objects of an oil well and of an oil refinery are to supply the community with oil; they have no other reason to exist. That Mr. Rockefeller, Mr. Flagler, and Mr. Archbold should annually count so many more millions in their store is of no advantage to the community. It has no profit from the present arrangement, which is merely a device to extort an artificial tribute for a supply that can be had without any such tribute.

Let us suppose the community, in the same way, to own and operate for the Common Good the production and distribution of all the other things that all men must have. It will then have abolished a very large part of the evils that we have described, will it not? It need interfere in no way with the supply of articles of taste. No great harm can ever come from monopolies of the things that nobody needs; a trust in *pâté de fois gras* or truffles could hardly ever become a menace to the liberty or welfare of the community; but the private control of the supplies of the primal necessities is the greatest misfortune that ever befell the race. The kind of community that we have been supposing would certainly bring that misfortune to a sudden end.

Next, let us suppose this community to say: "Work is not rightfully a privilege to be given or withheld at the caprice of a few men. Work is a right and a necessity, as well as a duty; it is as much a necessity as fresh air;

no man can be healthy without it. All men must work for the Common Good, for thereby they are also in the highest sense working for themselves; henceforth there are to be no more unemployed. Since the community now owns the supply of necessities it will furnish necessities only to those that perform their quota of work for the Common Good. If a man do no work he shall not eat, but for all men that work the supply of necessities shall be the same. And since there are now no idlers, no shirkers, fewer hours of toil will suffice to supply the world's need, and four hours * of manual labor will be the limit for each man. The rest of his time he can devote to improving his poor little mind (for which purpose the community will provide every facility), to rest, recreation, culture, to learning something about the world in which he is placed, and to the enjoyment of its beauties." Under those conditions life would be quite different, would it not?

Suppose it next to say that since productive industry is now carried on by the community for the Common Good and not for individual profit, all places wherein men work shall be clean, spacious, sanitary, and well-lighted; all places where men live shall be airy, clean, quiet, sanitary, full of sunlight and comfort; all men that work shall have enough of food, clothing, shelter, and rest. To these ends the community will own the land and use it for the Common Good and abolish from it all unfit habitations, and put it to human use wherever it is now idle.

Suppose it to say, further, that all children without exception, if of average health and strength, shall have

* One of the greatest economists of America estimated long ago that, if all men were at work, four hours a day of labor would produce all that the world needs.

the very best attainable education, shall have every possible opportunity for acquiring knowledge, shall be carefully trained and developed physically and mentally, shall be reared in beautiful environments, shall always have a sufficiency of nourishment and comfort, shall not until sufficiently matured go forth to daily toil, and shall have a rational and satisfying object of life. That would work a difference, would it not?

Suppose it to say that in the place of aggrandizement it purposes to substitute the pursuit of knowledge, happiness, and beauty; that men shall no longer spend their lives either in brutish toil or in gathering the dead leaves of wealth, nor women in barbaric display; that the human spirit is too noble and fine to be wasted upon unworthy objects, and henceforth it shall have a chance to be its true self after the image of a god. That would work a difference, would it not?

Suppose it to say, further, that human life is the most sacred thing upon this earth, that neither individuals nor nations can ever have any right to take it; that all the children of earth are of one race and brothers, with common interests, a common origin, and a common destiny; that as Capitalism was the source of war and Capitalism is now abolished forever, we will break up the armaments, disband the armies, and all the idlers now wasting time in preparing for war shall turn to work for the Common Good and their own.

Suppose it to decide that at last it will have on earth a genuine democracy, that all authority shall rest with the people, that in the conduct of all affairs there shall be no power, will, nor control, except the power, will, and control of all the people upon one common plane, with exactly equal rank, rights, privileges, and station.

Suppose it to say that women have been long enough the slaves of men. Suppose it to declare that the idea of woman as in any way inferior to man belongs to the jungle and the dark ages; that henceforth women are to be the equals and companions of men, with the same rights in the state and equal duties. This world would be a fairly decent world to live in, would it not? For the first time a man could take his way through it without apologies for his race or himself.

Dwell for a moment on some of the advantages that would result. It is perfectly evident that in such an organization of society there would be no undue aggregations of wealth, and no great inequalities in the material conditions of men. All the channels by which individuals now gather for themselves the wealth that should be for all would be closed, and the community would be using production for the Common Good. Land, the money supply, transportation, mining, and the manufacture of all articles of necessity having ceased to be instruments of greed, there would be left no possible way by which considerable numbers of men could be oppressed or placed under unjust tribute. No great fortune was ever made from controlling the supplies of things that men did not want.

It is equally evident that in such a society there would be no poverty. The products of the earth being sufficient for the children of the earth, this system would insure the just distribution of the products and their development to the full extent of men's needs. Vast areas of uncultivated land, now held in idleness for speculative purposes or as hunting preserves, would be put to use. The strange spectacle of men asking for bread in the face of uncultivated land would come to an end. There could be no such thing as insufficiency for any person willing to

work. For those incapacitated by age or disease the community would care so that at last there would be lifted from human life the shadow of the fear that has lain upon it so many generations, the fear of penury and want.

Likewise, under this system there would be no slums. As the community would own the land and the houses, it would insist for its own protection upon wholesome dwellings. In such a city as New York, for instance, the many tracts of unimproved land that are now so strange a monument of cupidity, would be built over with modern houses arranged for light and fresh air. Such frightful regions as the East Side and the district now occupied by the tenements of Trinity Church would be swept clean of their present abominations and rebuilt with wide streets, separate houses, parks, and playgrounds. As the city would own the transportation system, it would extend this so as to develop new and attractive suburbs wherever they might be needed. The community would do this because, to mention but one reason, in no other way could it protect itself against epidemics. It is in the slums that most bacterial diseases are bred or developed. The overwhelming menace of the slum as a source of disease, expressed, for example, in the spread of tuberculosis, has had the gravest attention of the best civic authorities in Europe, and perhaps we can study nothing more valuable to us than the war on slums in the cities of England, where the net result so far, as we have seen, has been only the destruction of one slum and the creation of another.

Under this system we should abolish that curious anomaly and heavy curse known among us as a lack of employment. The idea that there should be in the community men asking

in vain for work we now tolerate merely because the present system has reversed the natural sense of values and obscured our normal perceptions. There is no community that has not at all times much work it needs to have done. To see how stupidly we deal with this matter we have only to refer again to New York City in the winter of 1907-8, when, with 200,000 men out of work, very many of them destitute and without shelter, every resource of charity was taxed to the utmost to keep men from starving or freezing in the streets, and thousands of men whose only offense was misfortune were committed to the workhouses and imprisoned with felons. Yet, while this was going on, the community was suffering an acute need of public improvements. The transportation facilities were shockingly inadequate; new subways, new bridges, new surface roads were imperatively needed. Every morning and every evening the scenes to be witnessed in the overcrowded subway and elevated railway trains were a denial of civilization, and of a nature not to be equaled anywhere on earth outside of America. All sense of personal decency and respect for self or for others was necessarily thrown away in that crowd, and men and women struggled with one another like beasts in a pit, often at the imminent risk of life and limb. Yet, while this need of increased transportation facilities was so urgent that it amounted to a public scandal, 200,000 men marched the streets asking in vain for work. It is difficult to imagine any excuse for a condition so absurd and imbecile.

But under the system before outlined, all capable men would be at work; the needs of the community would be progressively supplied. The new subways so badly needed in New York were denied that the Traction Trust might secure from the city the terms it demanded; in other

words, the community was made to suffer, and the unemployed were unprovided with work, because the system of private profits required these conditions. The end of the system of private profits would be likewise the end of this anomaly.

Again, under the new organization of society, the human mind would have at last a chance to develop and to learn some of the essential facts of existence. So far in its history it has learned almost nothing. Of the sciences, for instance, hardly one can be said to be more than in its infancy. We know next to nothing about geology, astronomy, biology, or the way to use the forces with which we are surrounded. Through ignorance alone, the race has not yet begun to live. We do not even know how to keep fairly well. Thirty per cent. of the diseases catalogued in the medical text-books are called incurable, and yet it is apparent that in reality there should be no such thing as an incurable disease; if man can incur a disease, man can cure it. In the last few generations the normal span of human life has been lengthened enough to make us understand that if we only knew how we could easily live twice as long. We are beginning to use electricity as our servant, but we have not yet learned what it is, nor what it can do for us. In the midst of a free and inexhaustible supply of natural forces of which we make no use, we are rapidly exhausting our coal supplies, obtained only with great effort and waste of time and of human life. We turn our wheels and drive our steamships with the most stupid and costly motive power, because we have never yet learned to do anything more rational.

Now and then some investigator, usually one that has been relieved of the burden of "making his living," dis-

covers some simple fact that transfers a malady from the incurable to the curable column. It is reasonable to hold that, with sufficient study and concentration, all the other diseases now mysterious could in time be similarly transferred, if investigators only had a chance. Every good physician understands this perfectly, for he has himself felt, and continually feels, the impulse to study and research that are made impossible to him by the necessity of earning his bread. It is not right that the world should lose all of this great possibility of discoveries. Two of the ablest physicians of my acquaintance, both young men, have often assured me that if by any possibility they could be assured of a bare subsistence for themselves and their families, they would devote all the rest of their lives to laboratory and research work. One of these has won a recognized standing as a learned authority on the most difficult and baffling nervous diseases. He can almost see before him the solution of problems that oppress him if he can only secure the time to pursue certain lines of study and experiment; but he is debarred from these by the exigencies of the practice he must assiduously build, if he and his family are not to starve. No doubt many other observers have often noted the same situation, for it is one of the countless indictments of the present system that it deprives us of the natural and best product of all our good minds. The time and energy that should be devoted to solving the riddles by which we are surrounded are now wasted in the senseless struggle with other men to secure fruits of the earth that should be common to all.

Under the new order, education and art would, for the first time, have a fair chance on earth. The artists that now grope under the deadly fear of want, or debase their talents for sustenance, would be secure of their livelihood,

free to express their ideas, and free to attain their ideals. No man can be at his best when the shape of fear sits upon his shoulder. Fear is man's greatest enemy, and the most degrading influence that assails man's life; and of all fears, the fear of penury is the most common, the most persistent, and the parent of the largest progeny of evil. Under this system there would be no fear of penury.

Literature, again, with all the other products of culture, would have for the first time its normal function on earth. Men would write, teach, and study, not for gain, but for the love of achievement, for a noble instead of an ignoble motive. Beauty, which is now everywhere sacrificed to commercialism, would have its normal opportunity to appeal to men and to save them. Emulation would take the place of competition; life would be sane instead of insane, and led for a rational object instead of being expended upon nothing.

If against this system of industry there be raised the cant objection that it is utopian or chimerical, I desire to ask, Why? What can be chimerical in a practical faith in the natural goodness of men, instead of faith in the evil that false conditions have forced upon his life? What is chimerical in the idea of a practical application of the idea of brotherhood, or in the practical substitution of love for hate, or in the practical acceptance of the idea that man is something better than a beast? There is nothing in Socialism beyond the easy reach of humanity. If you think that men cannot live without preying upon one another, look you how poor a thing you make of Man! If he be, indeed, not otherwise than the wolf and the tiger, how then will you account for the noble and heroic deeds, the self-sacrifice, tenderness, and lofty aspirations of which

he is capable. If any man be capable of sympathy for another's welfare, the society of men is capable of Socialism. Every act of kindness, charity, good will, courtesy, every recognition of the claims of brotherhood, is a refutation of the theory that men are beasts and must necessarily rend and tear one another. It is Capitalism and a false system of society that makes enemies of men that otherwise would be friends. And if we think evil of men, shall they not do evil? So long as we hold to disbelief in the essential goodness of man we deprive ourselves of the best that is in us and the best that is in our fellows.

It is usually urged at this point that without the employment of greed and the gainful appetite as social factors, there would be no incentive to effort, and the world's work would come to an end. This is, of course, to take the lowest possible view of man, and to deny all that is good in him. But even if we can conceive the heart of man to be bad, and if we can put aside all the physical facts concerning the necessity of work and its relations to health, and if we can believe that nothing appeals to men except their stomachs, we need but refer again to a very significant fact previously pointed out in these discussions. What is ordinarily meant by the term "incentive to effort" can be disregarded so far as this country is concerned, because it has already ceased to exist. The process of evolution has attended to that, and quite effectually. By "incentive to effort" is meant the ambition to improve one's position, to rise from poverty to wealth, to ascend from the state of a clerk to that of a proprietor, to join the men at the top of the ladder of fortune, and the like. We can see how much of this "incentive" is left if we once more consider the extent to which the consolidation

of industry has been carried. What chance to rise has a young man now entering the service of the United States Steel Corporation? What chance to become an independent owner? What chance to make a great fortune? By rare good luck, combined with diligence, he may possibly get his wages raised; he may rise from one clerkship to another; but he can never be anything but the Corporation's hired man, dependent for his employment upon somebody's good will or somebody's caprice. Of the great army of Standard Oil employees, what one can be said to have "incentive to effort" in the sense in which the term is employed by Socialism's critics? By no possibility can he hope to be a proprietor and independent; by no possibility accumulate a fortune. His horizon of life is limited by his daily toil and some remote prospect that some day, if all goes well, the pittance he earns may be increased. He is become a human machine, revolving daily in his allotted place until worn out, and then to be replaced by another. More and more, as consolidation and concentration increase, this becomes the condition of the whole great middle-class in this country. How absurd, then, to talk about "incentive to effort" in such a class! The only incentive to effort there is the sheer necessity of selling the best of their lives for mere subsistence. In their state, the cardinal fact is that life is all drudging toil, and as we have already seen, this condition, in successive generations, has only one result.

But all this is an unnecessary consideration. The real incentive to effort is something very different. We should not overlook the fact that the important discoveries, inventions, and worthy achievements in the world's history have been made by men that reaped no money from their labors, and could reap none. The physicians that spend

the best of their lives in laboratory research know well enough they can never earn money by such work, and they desire to earn none. Their reward is sufficient to them if they add something to the total of human knowledge. I doubt if there be any man imbued with the genuine inspiration of the medical profession that would be deterred from research work by the fact that it would never be profitable to him. Men that spend their lives in the service of science never dream of getting rich from what they may discover; the suggestion would seem to them infinitely abhorrent, they would believe it impossible for any man to be a true or worthy student if he allowed the thought of gain to possess his mind. Yet, recall the great and tireless labors of some of these men; Darwin, Tyndall, Huxley, Agassiz, Gray, Lubbock—how absurd it would be to suggest money-making to any of these! They lived for science; that was reward enough. And will you tell me that with these splendid careers crowding history so that one could fill pages with their names, all of men that toiled their lives through for Service and not for money, will you say that gain is the only incentive that appeals to men, and without it nothing would be done?

To that question I confess I should very much like an answer, for thus far I have heard of none. How can we gather the figs of decency from the thistles of bestiality? How can greed, that is essentially a vice and the worker of infinite evil, be also a virtue and the source of good? How can we really believe that the world of men can proceed and supply its needs only by a series of compromises with conscience?

Moreover, these contentions that the gainful impulse is an indispensable adjunct to Service are refuted again by

daily experience. Consider for a moment the vast labors performed without compensation by members of such bodies as the London Municipal Council, the local councils in many other cities, the various boards of education and boards of health that commonly serve without pay. No money could secure the conscientious and unremitting labors that are performed by the London County Councilmen for nothing. Wherever around this world public service for the Common Good has been substituted for public service for gain there has been an increase of zeal and a decrease of scandal. It is not true that men are unwilling to do anything except for their personal gain; the truth is, that most men, if they have any chance, will do more for others and more for the Common Good than they will do for themselves.

And in this is the noblest profit. We cannot change the essential principles of human existence; after all, the truth remains that the greatest joy that life affords is something done for somebody else. The man that lives for himself dies within himself. All that is proposed here is to build practically upon these fundamental truths of being. In such a project how can there be anything chimerical? How can there be anything that is in the least unreasonable, or, if we come to that, improbable?

One of the curses of the existing system is that it deprives life of the normal opportunities for this joy of service. I believe it to be the invariable human testimony that nothing in this world softens the melancholy fact of increasing years and approaching death except the reflection that one has been of use, one has served one's times, helped one's fellows, brightened some lives, contributed some service that Society required, made some return for the

life intrusted to one. What better prospect could be for life than life without cruelty, oppression, greed, penury, or insufficiency, and life devoted to service and the growth of the spirit within? Of all this, man that looks at the stars and walks with the angels is capable as surely as he is Man.

CHAPTER XV

THE WAY OF THE WORLD

We can very well lay aside consideration of theory or opinion concerning all these matters, and face the fact that, whether we approve or disapprove of such an organization, the whole world is moving towards it. We can see now, if we care to look, that many of the new conditions (here roughly and briefly outlined) are already established in faultless operation, and we can observe the beginning of many others. The next step in the progress of the race is so clearly revealed in these innovations that the conclusion is not to be escaped by any mind that will weigh carefully the industrial conditions of to-day with the industrial conditions of twenty-five years ago; and he will find in the same consideration the reasonable way by which evolution is bringing about every change that we have here discussed.

To make this clear, we will now take, if you like, one of the typical and primary needs of society and observe how it was supplied under the old or Capitalistic system, and how it is supplied in progressive regions of the world under the beginning of Socialism. Let us take transportation.

I go back to 1887. In Chicago that year, Mr. Charles T. Yerkes, a financial adventurer of little means, secured with a deposit of $25,000 of borrowed money the control of a street car line called the North Chicago Railroad.

Having the control, he issued upon the property masses of additional securities (stocks and bonds) until with these he had paid for the road and returned the money he had borrowed. He now proceeded on various pretexts to issue more securities, and with these he purchased another street railroad. Upon this he issued still other securities and made additional purchases, until in a few years and without the investment of a dollar, he controlled all the street railroads of Chicago, except those owned by one company on the South Side.

These he continued at intervals to load with more securities, until the system became one of the most heavily capitalized enterprises in the country. Some of the stocks and bonds that Mr. Yerkes manufactured so readily he kept for himself; others he sold at high prices. All of the stocks and bonds of whatsoever description that he issued became charges upon the enterprise. The bonds were mortgages, and if the interest upon them were not paid the owners of the bonds could foreclose and seize the property; the stocks were in reality hardly less than a mortgage, for if dividends were not paid upon them, stockholders could go into court and demand a receiver. That the dividends and interest should be paid on the vast issues of stocks and bonds of Mr. Yerkes's making (for his own profit) it was necessary to increase the revenue of the enterprise and decrease the expenses. These results were achieved by crowding a great many persons into each car, by reducing the service, by neglecting to maintain the equipment, and refusing to make needed repairs. As a consequence, Chicago soon had the worst transportation service in the world. The cars were infrequent, small, old, unsafe, dirty, slow, and brutally overcrowded; the roadbed and track were scandalously out of repair, so that

the physical sufferings of the passengers became acute, and there were frequent accidents, some of them fatal. The motive power was of a kind obsolete elsewhere, and quite inadequate to the service. Before long the defects of the transportation facilities became so notorious that it was a burden on business, and many persons believed it to be retarding the city's growth. Certainly it produced daily scenes that would disgrace a community of barbarians. In the busy hours of the evening men fought for a chance to get into the cars, where finally they were grossly packed together on platforms, steps, railings, and even the couplings, at the imminent risk of their lives.

Meantime, Mr. Yerkes continued to issue and absorb securities. When it was evident that the system could stand no more and the crash was not far off, he sold his interests and retired to London with $40,000,000, made in fifteen years on an investment of nothing. In accordance with the approved methods of the present system, he had "capitalized the earning power" of the lines, and the wretched and inadequate service was the means by which the public paid for the capitalization.

Almost immediately upon his withdrawal the collapse followed, and a receiver was appointed. About five years of litigation followed, in which the city vainly tried to recover the streets that the system had continued to use after its franchise had expired. In that time the service continued to be abominable, for the duty of the receiver was naturally to try to wring from the wreck enough money to pay the interest on the excessive securities and not at all to regard public complaint.

Mr. Yerkes was a close friend and business ally of Mr. W. L. Elkins and Mr. P. A. B. Widener, of Philadelphia, and while he was engaged in building his great fortune

by " capitalizing the earning power " of the Chicago street railroads, Mr. Elkins and Mr. Widener were busy with the like operations in Philadelphia, where they achieved in all respects a like result. That is to say, they accumulated for themselves great fortunes, and the people of Philadelphia paid for these fortunes year after year in unnecessary fares, deficient accommodations, and finally in the wreck of their transportation system. Mr. Elkins and Mr. Widener were closely associated with Mr. William C. Whitney and Mr. Thomas F. Ryan, of New York. Together they secured control of the street railroad system of New York City, they applied methods used in Chicago and Philadelphia, and again they secured enormous profits at the community's expense.

Most of these transportation systems were ruined and thrown into the hands of receivers, because their earning power had been capitalized for the benefit of the gentlemen in control. In each instance the public not only suffered great discomfort and extortion for the time being, but must continue to suffer for a long time to come. How this came about may be seen in one concrete illustration from the history of the syndicate in New York.

Its operations began with the purchase for $50,000 of one railroad, which was immediately " reorganized " (in the cant phrase), and bonded for the purchase of additional railroads, the $50,000 being the only money ever invested in the enterprise. With securities issued upon one railroad the syndicate bought another, until it controlled the entire street railroad system of New York county and had heavily loaded it with stocks and bonds. At intervals it reorganized under a new name, and each reorganization was accompanied by the issue of new securities. At last this process reached a point where the earnings could not

be made to pay the fixed charges and for a year or two these were paid out of the receipts from securities. Meanwhile, the original members of the Syndicate dropped out. As soon as the inability of the property to earn the interest charges was apparent, the collapse followed and receivers were appointed. It was the duty of the receivers to obtain the interest money if they possibly could. To that end they cut off transfers and changed the routing of certain cars, and thereby secured from the public in payment for transportation an increased toll that has been estimated at $25,000 a day. This additional payment was in the face of the fact that the service afforded was, and for many years had been, very inadequate, while the overcrowding of the cars was almost intolerable.

It is to be noted that the $25,000 of additional daily tribute thus secured principally affected the poor. The transfers now abolished had been used almost exclusively by the working class. Well-to-do persons paid little attention to the transfer system. It was not of moment to them. But to thousands upon thousands of workingmen and workingwomen, already preyed upon in so many different ways, transfers were of a very real importance. Often they made the difference between a ride and a long walk on their way to and from their work. With street car transfers many working girls could secure an additional half hour of rest every day. The taking away of the transfers meant, that of the scanty wages earned by these girls, $4, $5, or $6 a week, they must pay to the street railroad $1.20 for transportation, or they must walk long distances and arise earlier in the morning.

All this was solely the result of the process of "capitalizing the earning power" of the railroads. In this instance the term seems to have been a misnomer. What

was really capitalized was the health, time, comfort, and pitiable wages of the shop girls of New York.

We may note with some interest, also, that if there had been none of this process; if the enterprise had been required to earn interest on the actual investment, and to earn no more than this, passengers could have been carried profitably at 3 cents each. This statement is equally true of the street railroad system of Chicago and Philadelphia, so that in all these places of every 5 cents paid by the public to the company 3 cents was for transportation and a reasonable profit and 2 cents for the securities that had been piled upon the system.

On a large scale or a small scale, what happened in Chicago, Philadelphia, and New York happened in many other cities of the United States. Everywhere the earning power of the street railroads has been capitalized for the benefit of the men in control, leaving a huge load of interest to be borne for many years by the community and to be paid in impaired service or unjust charges, or both; for in no other way can the interest be paid.

These are familiar and admitted facts. I now beg leave to ask attention to the following simple propositions:

1. That the highways in which these men operated the railroads belonged to the community and not to the men that made the profits from them.

2. That the securities they issued on highways thus operated were and are burdens that the community must pay.

3. That the men that thus possessed themselves of the community's highways and gathered great wealth by levying tribute upon the community rendered to the community no service of any kind.

4. That it was not at any time nor in any degree any

concern of the public that these gentlemen should make money; the public derived nothing from the money thus made. The only concern of the public was to secure transportation, and these gentlemen were of no assistance to transportation, but only a great hindrance.

5. That these conditions are a part of the present system and cannot possibly be checked, prevented, or controlled so long as the system exists.

6. That they are in no way a necessary evil. Transportation can be secured and maintained without such afflictions.

Let us put by the side of the wretched and inadequate transportation service in Chicago, Philadelphia, New York, and most American cities, the street railroad system of London, Manchester, Liverpool, Glasgow, Dresden, Münich, Vienna, Cologne, Zürich, Berne, Antwerp, or Lugano, or of any one of a hundred other cities of Europe, great or small. Instead of bad service we shall find good service; instead of dirty cars, infrequent and uncomfortable, we shall find clean cars of the latest pattern, comfortable, smoothly riding, and frequent; instead of overcrowding we shall find accommodations for all; instead of manifest inefficiency we shall find efficiency; instead of an equipment in some stage of decay we shall find every modern device for comfort and security; and we shall find all this furnished at the minimum price to the public. In these cities there is no problem about the capitalized carning power, no device to levy upon the community an abnormal tribute for the benefit of a few grasping and unscrupulous men. We shall find an adequate transportation service furnished by the community to the community for the community's sole profit.

In the one case there is a public service in public streets

for private gain; in the other a public service in the public streets for the public benefit.

Here is one broad finger-post plainly pointing the way. In recent years the cities of Europe have begun to take over one public service after another, and to operate all for the Common Good. Nearly all the considerable cities of Europe now own their street railroad systems; many own their gas and electric lighting plants, some own their markets and cemeteries. Year by year the circle of municipal trading is increasing everywhere in Europe.

In these respects the cities are but following the trend of a widespread evolution. The nations are assuming more and more the duty of supplying the primal necessities. Communication is everywhere in Europe a service supplied by the community for the community's good. Transportation is rapidly ceasing to be a service supplied by individuals for individual profit. Switzerland began to take over its railroads on January 1, 1901, and acquired the last of them on January 1, 1909. Italy nationalized its railroads in 1905, Japan in 1906, and Mexico in 1907. All the railroads of Hungary, and most of those of Austria, are operated by the State. France in 1908 added to its national railroads the great Western system, and is to acquire all the rest. Germany owns and operates its railroads and derives therefrom large profits for the government and the Common Good. The railroads of Belgium, Denmark, Sweden, Norway, Russia, Servia, and Turkey are owned and operated by the government. In all these countries the telegraph and telephone services are furnished by and for the public.

As to Great Britain, all persons that know the actual condition of the British railroads, to what straits private ownership has brought them, how the earning power has

been capitalized and recapitalized, until it has been strained to the utmost limit, know that nationalization is close at hand. For these enterprises there is no other rescue, and it is probable that if the government should move to-day towards the purchase of the lines, the present owners, far from offering objection, would be actually relieved.

In Australia the government owns and operates the railroads, the telegraph and telephone lines, and has considered the operating of the tobacco industry and even of a line of steamships. In Sydney one of the best street railroad systems in the world is publicly owned, and returns to the community a handsome profit. In New Zealand, where the new order has been carried farther than anywhere else in the world, the community owns and operates railroads, telegraphs, telephones, life and fire insurance, coal mines, and a system of providing labor for the unemployed. The city of Wellington, owning its street railroad system, recently gave an illustration of what life will be like under Socialism by extending the road and building a new and handsome suburb of sanitary separate dwellings.

In France, Spain, Italy, Austria, and Turkey the government is in the tobacco business. In France it makes matches. In Japan, the rising commercial giant whose progress gives some of us so much uneasiness, the government owns or directly or indirectly controls the banks and the money supply, prepares and sells tobacco, has a monopoly of the camphor trade, and has a share in flour mills, breweries, steamship lines, and other ventures. In Germany the government owns and operates coal mines, furnishes insurance, and furthers the Common Good by lending its money for the building of sanitary dwellings.

Is it possible to escape the significance of all this movement in the one direction?

The rapid spread over all Europe of what is called Coöperation keeps pace with this movement, and is a part of the same evolution. Justly the Coöperative society may be looked upon as a first step towards the Coöperative Commonwealth. It eliminates competition, it is conducted solely for the benefit of its members, it looks toward their intellectual as well as their material welfare, it is conducted on democratic lines; so far as it goes it checks the unequal distribution of wealth by which one man gets too much and a thousand men get far too little; it inculcates something of the basic principle of common interest upon which Socialism rests. In view of these facts, we should carefully note that the Coöperative societies have grown until they have become a great factor in the economics of Europe and threatened the Capitalistic system in more than one country.

The growth of the old age pension, a purely Socialistic device, is another indication of the same general movement. Germany has an old age pension in admirable working, so have some of the Australian states, and New Zealand. Great Britain has lately adopted one, and France is soon in this respect to follow the example of these nations.

So then the conclusion is that if these nations can with the greatest success supply some of the primal necessities, other nations can supply the same necessities and others. If most of the nations, aside from the United States, are now supplying transportation and communication, the United States can supply transportation and communication. If Germany and New Zealand can supply coal, so can other nations. If a government can supply coal and electricity, it can supply oil and iron. If it can own

land for the purpose of digging a canal, it can own land for the purpose of providing its citizens with decent houses. These propositions are incontestable. They prove that the work done in the world by Capital can be done without Capital. Wherever Capital does the work, it does it badly, with waste of human life and sickening conditions of human misery. Wherever the work is done by the community, it is well done, and to the advancement of human happiness. Therefore, this institution of Capital is not only savage and fatal, but wholly superfluous. Not one service does it perform that cannot be better performed without it. Long enough it has darkened the world; it should now take its proper place with other clumsy and outworn devices of the past.

For all the evils of the present system, Socialism is the only remedy that really promises a cure. To waste further time with the quacksalvers of regulation and restriction is merely childish. Capitalism can evade any regulation and break over any restriction. So long as we regulate we only perpetuate the terrible conditions of modern life.

If it be objected that in this country great obstacles lie in the way of reaching such an organization of society as Socialism indicates, the sufficient answer is that the collapse of the existing system will force us to find the way to overcome all these obstacles. Between the present system and Socialism there is no choice except Anarchism, which is, indeed, the culmination and ultimate perfection of the present system. To maintain some form of Capitalism and strip it of its horrors and evil products has been for many years the object of able thinkers and investigators, and nobody has yet devised any possible plan to that end. Until men can create new continents and fill them with undeveloped people there will be no answer to the problem

of the Unconsumed Surplus, and that problem will continue to grow upon and plague and undo us. Until men can encompass the impossible, they can find no answer to the problem of the Capitalized Earning Power, and that problem will go on until the transportation systems are forced into the hands of the government, whereupon the rest of the work will be simplified.

As a matter of fact, the difficulties in the way are not very great; many of them will solve themselves, others are being solved. For instance, twenty-five years ago the railroad system of the United States was controlled by probably two hundred men. To-day it is controlled by five. Two years ago there were seven in control. Five years ago there were ten. In a few years there will be one. For the control of the railroads to pass from one man to the government is not very difficult. Similarly, the process of consolidation that is going on in all lines of industry is making Socialism not only inevitable, but easy. Every trust is a mighty power for Socialism; every department store is working incessantly towards the same end; every company that opens restaurants, drug stores, or grocery stores under one ownership is doing our work for us. It is eliminating waste and the small owner and organizing industry on such a basis that with a single change it will cease to be operated for the profit of a few, and begin to be operated for the profit of all.

It is, of course, undeniable, that the present system of government in the United States, designed to keep the popular will from having its just influence, seems very remote from the Socialistic ideal. Before we can have Socialism we must introduce the machinery of a genuine democracy. But there is nothing impossible about this task. The defects of our present system are now so apparent

that we shall probably be driven to change them before we are ready for the adoption of Socialism, and to change them in such a way that thereafter, whenever the people desire Socialism, they can have it without delay and without friction. If, for example, we should abolish all the medieval and clumsy devices with which Hamilton and his fellow-monarchists loaded the Constitution, devices to provide "checks on the popular will," and if we should adopt in their stead such arrangements as other nations now have to carry into effect every decision the people may reach, no other change would be necessary. At present, of course, we are cursed with the very worst forms of that representative government that all about the world has proved a failure; but it is inconceivable that these anomalies should continue. Democracy and progress have long gone beyond them, and we are left so far in the rear that the national self-respect, if there were no other cause, would prove a sufficient impulse to reform.

But a multiplicity of great obstacles has always been foreseen in the path of every great advance of the race, and when they have been met face to face, lo, evolution has brushed them aside like dead leaves. While we are weighing mighty obstacles, the vast changes in our industrial system are working incessantly in the one direction. We could no more go back now to the old days of competition in the trust-owned lines of industry than we could abolish steamships and return to sailing vessels. Fifty years ago it would have been held impossible that one family should have a monopoly of the sugar industry, or a group of three or four control the iron industry, or another own the oil business. One generation has seen a change in our industrial methods so great that, on looking back, it seems stupendous. Yet, does any per-